DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF LAS VEGAS
AND
CLIFFS EDGE, LLC

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this 17 day of March, 2004 by and between the CITY OF LAS VEGAS (hereinafter the "City") and CLIFFS EDGE, LLC a Nevada limited liability company (hereinafter the "Owner").

RECITAL OF PREMISES, PURPOSE AND INTENT

A. Owner owns that certain real property described and shown on Exhibit "A" attached hereto and incorporated herein by reference (hereinafter the "Property") containing approximately 1,017 acres of land, which is the subject of this Agreement.

B. The City has authority, pursuant to NRS Chapter 278 and Title 19 of the Las Vegas Municipal Code, to enter into development agreements with persons having a legal or equitable interest in real property to establish long-range plans for the development of such property.

C. All preliminary processing with regard to this Agreement has been duly completed in conformance with all applicable laws, rules and regulations. The Las Vegas City Council (hereinafter the "City Council"), having given notice as required by law, held a public hearing on Owner's application seeking approval of the form of this Agreement and the execution hereof by the City. At that hearing, the City Council found that this Agreement is consistent with the City's plans, policies and regulations, including the City's general plan, and that the execution of this Agreement on behalf of the City is in the public interest and is lawful in all respects.

D. On the 17 day of March, 2004 the City Council adopted Ordinance No. 5676 approving this Agreement and authorizing the execution hereof by duly constituted officers of the City. Said ordinance took effect on the 21 day of March, 2004. The City agrees to record a certified copy of the ordinance as required by NRS Chapter 278.

E. The City desires to enter into this Agreement in conformance with the requirements of NRS Chapter 278, and as otherwise permitted by law and this Agreement, to provide for public services, public uses and urban infrastructure, to further the goals and values of the City's Centennial Hills Sector Plan and the Las Vegas 2020 Master Plan, to promote the health, safety and general welfare of the City and its inhabitants, to minimize uncertainty in planning for and securing orderly development of the Property and surrounding areas, to insure attainment of the maximum efficient utilization of resources within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the laws governing development agreements were enacted. As a result of the development of the Property, the City will receive needed jobs, sales and other tax revenues, significant increases to its real property tax base and substantial improvements to the public infrastructure. The City will additionally receive a greater degree of certainty with respect to the phasing, timing and orderly development of the City infrastructure by a developer with significant economic resources and experience in the development process.

F. This Agreement is consistent with and will implement the goals and objectives of the Centennial Hills Sector Plan and the Las Vegas 2020 Master Plan.

NOW THEREFORE, for and in consideration of the foregoing recitals and of the mutual covenants and promises set forth herein, the parties do hereby agree as follows:

AGREEMENT

SECTION 1
DEFINITIONS

1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

1.1(1) "Agreement" has the meaning assigned to it in the first paragraph hereof, and at any given time includes all addenda and exhibits incorporated by reference and all amendments which hereafter are duly entered into in accordance with the terms of this Agreement.

1.1(2) "Applicable Rules" means and refers to:

(i) The Zoning Action;

(ii) The provisions of the Code and all other City rules, general plans, policies, regulations, ordinances, laws, general or specific that are effective on the Effective Date;

(iii) This Agreement; and

(iv) The Design Guidelines.

The term does not include:

(i) Any ordinances, laws, policies, regulations or procedures adopted by a governmental entity other than the City;

(ii) Any fee or monetary payment not governed by this Agreement and prescribed by City ordinance which is uniformly applied to all development and construction subject to the City's jurisdiction; or

(iii) Any applicable state or federal law or regulation.

1.1(3) "Code" means the Las Vegas Municipal Code, including all rules, regulations, standards, criteria, manuals and other references adopted therein.

1.1(4) "City" means the City of Las Vegas, together with its successors and assigns.

1.1(5) "Developer Special Improvement District Guidelines" means and refers to those Developer Special Improvement District Guidelines of the City attached hereto as Exhibit "B".

1.1(6) "Effective Date" means the effective date of an ordinance adopted by the City Council that approves the execution of this Agreement.

1.1(7) "Master Traffic Study" means a comprehensive traffic study prepared in conformance with the Zoning Action, as amended or conditioned and finally approved by the City.

1.1(8) "Master Drainage Plan" means a study prepared in conformance with the Zoning Action, as amended or conditioned and finally approved by the City.

1.1(9) "Traffic Signal Impact Fee" means a charge imposed by the City pursuant to Section 9 of this Agreement for the installation of Traffic Signal Improvements.

1.1(10) "Traffic Signal Improvement" means:

(i) The installation of traffic signals at intersections identified in the Traffic Signal Capital Improvement Plan; and

(ii) Intersection improvements in excess of minimum standards for a non-signalized intersection that represent partial completion of improvements needed for later signalization.

1.1(11) "Traffic Signal Capital Improvement Plan" means the Capital Improvements Plan for Traffic Signal Impact Fees, attached as Exhibit C.

1.1(12) "Design Guidelines" means the Cliffs Edge Master Development Plan And Design Guidelines, attached as Exhibit D.

1.1(13) "NRS" means the Nevada Revised Statutes.

1.1(14) "Owner" means Cliffs Edge, LLC, a Nevada limited liability company, the owner of the land constituting the Property and its successors and assigns, if any, as permitted under the terms of Section 12.2 of this Agreement.

1.1(15) "Planning Department" means the Planning and Development Department of the City.

1.1(16) "Planning Director" means the Director of the City's Planning and Development Department or his designee(s).

1.1(17) "Property" means that certain real property as described on Exhibit "A".

1.1(18) "Public Works Director" or "Director of Public Works" means the Director of the City's Department of Public Works or his designee(s).

1.1(19) "Project Transportation Improvements" means street improvements, other than Traffic Signal Improvements, within the boundaries of the Planned Community and adjacent to the boundaries of the Planned Community that are identified in the Master Traffic Study as necessary to mitigate the traffic impacts of the Planned Community.

1.1(20) "RTC" means the Regional Transportation Commission of Clark County, Nevada.

1.1(21) "Subdivision Map" means any instrument under NRS and Title 18 of the Code which legally subdivides property or gives the right to legally subdivide property, including, without limitation, parcel maps, division of land into large parcels, parent final maps, tentative commercial subdivision maps, final commercial subdivision maps, reversionary maps, condominium subdivision maps, or tentative or final residential subdivision maps, for all or a portion of the Planned Community.

1.1(22) "Term" means the term of this Agreement together with any extension agreed upon pursuant to the terms hereof.

1.1(23) "Zoning Action" means the action of City Council pursuant to applications ZON-1520 and ZON-2184, together with all applicable conditions, and any subsequent approvals by the City that are conditioned upon compliance with this Agreement.

1.1(24) "City Council" means the Las Vegas City Council.

1.1(25) "Planned Community" means all property and development within the boundaries of the Cliffs Edge Master Plan, as shown on Figure 1 of the Design Guidelines.

1.1(26) "Development Fee" means a charge or fee imposed by the City with respect to new development to finance the costs of a capital improvement or facility expansion necessitated by and attributable to new development. The term does not include expenses required to complete any capital improvements identified in the Master Traffic Study or Master Drainage Plan.

1.1(27) "Northwest Area" means that area governed by the Centennial Hills Sector Interlocal Land Use Plan, as adopted by the City Council on February 19, 2003.

1.1(28) "Residential Development" means any proposed development identified in the Design Guidelines as Low Density Residential, Medium Low Density Residential or Residential Small Lot.

1.1(29) "Nonresidential Development" means any development identified in the Design Guidelines as Medium Residential or Village Commercial.

1.1(30) "Owner Parcel" means any real property located within the Planned Community that is owned by Owner or any Affiliate of Owner.

1.1(31) "Non-Owner Parcel" means any real property located within the Planned Community that is owned by someone other than Owner or an Affiliate of Owner.

1.1(32) "Affiliate" means an entity, partnership or corporation which Owner controls, or in which Owner has a controlling interest or which controls Owner.

1.1(33) "Land Use Application" means any application seeking any approval authorized or required by Title 19 of the Code.

1.1(34) "Designated Builder" means a merchant homebuilder, apartment developer or other owner of real property within the Planned Community that is constructing any development subject to the fee imposed by Chapter 4.24 of the Code, if designated in writing by Owner to City.

SECTION 2
GENERAL PURPOSE AND INTENT

2.1 Recitals. This Agreement is predicated upon the following facts and findings:

(a) City Intent. The City desires to enter into this Agreement in conformity with the requirements of NRS and as otherwise permitted by law and this Agreement to provide for public services, public uses and urban infrastructure, to promote the health, safety and general welfare of the City and its inhabitants, to minimize uncertainty in planning for and securing orderly development of the Planned Community and surrounding areas, to insure attainment of the maximum efficient utilization of resources within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the laws authorizing development agreements were enacted.

(b) Owner Intent. In accordance with the legislative intent evidenced by NRS Chapter 278, Owner wishes to obtain reasonable assurances that Owner may develop the Planned Community in accordance with the conditions established in this Agreement. Owner acknowledges that there are insufficient public services, which includes facilities and infrastructure, existing or planned at this time, and in

order to develop the Planned Community, Owner is willing to enter into this Agreement in order to provide certain public services, facilities and infrastructure in the area of the Planned Community. Because of the nature of the Planned Community, the type and extent of the public improvements and infrastructure to the Planned Community to be provided by Owner, and the type and extent of the public and private improvements to be provided within the Planned Community, the Owner's decision to commence development of the Planned Community is based on expectations of proceeding and the right to proceed with the Planned Community in accordance with this Agreement, the Applicable Rules and the Zoning Actions. Owner further acknowledges that this Agreement was made a part of the record at the time of its approval by the City Council and that the Owner agrees without protest to the requirements, limitations, or conditions imposed by the Agreement and the Zoning Action.

(c) Acknowledgment of Uncertainties. The parties acknowledge that circumstances beyond the control of either party could defeat their mutual intent that the Planned Community be developed in the manner contemplated by this Agreement. Among such circumstances is the unavailability of water or other limited natural resources, Federal regulation of air and water quality, and similar conditions. It is not the intent of the parties nor shall this Section be construed as excusing the City of any obligation hereunder of depriving Owner of any right under this Agreement, which can be performed.

2.2 Incorporation of Recitals. The foregoing recitals shall be deemed true and correct in all respects with respect to this Agreement and shall serve as the basis for the interpretation of this Agreement.

SECTION 3
APPLICABLE RULES AND CONFLICTING LAWS

3.1 Reliance on Zoning Actions, Design Guidelines and Applicable Rules. The City and Owner agree that Owner will be permitted to carry out and complete the entire Planned Community in accordance with the uses and densities set forth in the Zoning Action and the Design Guidelines, and in accordance with this Agreement and the Applicable Rules.

3.2 Modification of Applicable Rules. City and Owner acknowledge and agree the Zoning Action and Design Guidelines are peculiar to the Planned Community and may not be amended, modified or changed with respect to the Planned Community without the express written consent of Owner and City, except as otherwise explicitly provided in this Agreement. In the event the City adopts new ordinances, rules or regulations, such new ordinances, rules or regulations will not apply to Owner or development of the Planned Community except in those limited circumstances provided below.

3.3 Application of Subsequently Enacted Rules. Except as provided below, no standard, policy or regulation regarding subdivision, land use, zoning, growth management, timing and phasing of construction, or construction methods shall be imposed by the City upon the Planned

Community, except those in effect on the Effective Date. City may hereafter, during the term of this Agreement, apply to the Planned Community only those rules, regulations, ordinances, laws, general or specific plans, and official policies promulgated or enacted after this Effective Date that:

(a) are not in conflict with the Applicable Rules or Design Guidelines,

(b) the application of which govern procedural matters or would not prevent or materially impede, hinder or delay development in accordance with this Agreement, and

(c) do not constitute Development Fees.

3.4 Limitation on Imposition of New Fees or Standards. Notwithstanding the terms of Section 3.3, above:

(a) The City may increase cost-based fees that apply uniformly to all development in the City.

(b) The development of the Planned Community shall be subject to the Building Codes in effect at the time of issuance of the permit for the particular development activity.

(c) The City may apply other construction standards applicable to all developers other than Owner if such changes or additional standards are required in order to prevent a condition dangerous to the health or safety of City residents.

(d) Nothing in this Agreement shall preclude the application to the Planned Community of new or changed City ordinances, regulations, plans or policies specifically mandated and required by changes in state or federal laws or regulations. In such event, the provisions of Section 3.5 through 3.8 of this Agreement are applicable.

(e) Notwithstanding the foregoing, should the City adopt or amend new ordinances, rules, regulations or policies that exceed the limitations of the foregoing Sections 3.2 through 3.4, Owner shall have the option, in its sole discretion, of accepting such new or amended matters by the giving written notice of such acceptance. City and Owner shall then execute a supplement to this Agreement evidencing Owner's acceptance of the new or amended ordinace, rule, regulation or policy.

3.5 Conflicting Federal or State Rules. In the event that any conflicting federal or state laws or regulations, enacted after the Effective Date, prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, this Agreement shall remain in full force and effect as to those provisions not affected, and:

(a) Notice of Conflict. Either party, upon learning of any such matter, will provide the other party with written notice thereof and provide a copy of any such law, regulation or policy together with a statement of how any such matter conflicts with the provisions of this Agreement; and

(b) Modification Conferences. The parties shall, within thirty (30) days of the notice referred to in the preceding subsection, meet and confer in good faith and attempt to modify this Agreement to bring it into compliance with any such federal or state law or regulation.

3.6 City Council Hearings. In the event the City believes that an amendment to this Agreement is necessary pursuant to Section 3.5 due to the effect of any federal or state law or regulation, the proposed amendment shall be scheduled for hearing before the City Council. The City Council shall determine the exact nature of the amendment necessitated by such federal or state law or regulation. Owner shall have the right to offer oral and written testimony at the hearing. Any modification ordered by the City Council pursuant to such hearing is subject to judicial review as set forth in Section 5.5. The parties agree that any matter submitted for judicial review shall be subject to expedited review in accordance with Rule 2.15 of the Eighth Judicial District Court of the State of Nevada.

3.7 City Cooperation. The City shall cooperate with Owner in securing any City permits, licenses or other authorizations that may be required as a result of any amendment resulting from actions initiated under Section 3.6. As required by the Applicable Rules, Owner shall be responsible to pay all applicable fees in connection with securing of such permits, licenses or other authorizations.

SECTION 4
PLANNING, DEVELOPMENT AND MAINTENANCE OF THE PLANNED COMMUNITY

4.1 Permitted Uses, Density, Height and Size of Structures. Pursuant to NRS Chapter 278, this Agreement must set forth the maximum height and size of structures to be constructed in the Planned Community, the density of uses and the permitted uses of the land. The City agrees that the Planned Community may be developed to the density and with the land uses and development standards set forth in the Design Guidelines.

4.2 General Plan Amendments. City acknowledges that Owner is anticipating that the entire Northwest Area will be developed in accordance with Centennial Hills Sector Interlocal Land Use Plan with any future amendments thereto, provided however, that the Planned Community shall be developed in accordance with the Applicable Rules as set forth herein. City agrees that: (i) it will enforce the Centennial Hills Sector Interlocal Land Use Plan, and (ii) it will not amend or modify the Centennial Hills Sector Interlocal Land Use Plan, without prior written notice to Owner and consideration of Owner's input with respect thereto.

4.3 Modifications to Design Guidelines. Owner shall have the right to have nonmaterial

modifications to the Design Guidelines approved administratively by the Planning Director. A nonmaterial modification is a modification requested by the Owner to accomplish one of more of the following, and which, in the determination of the Planning Director, meets or exceeds the requirements of the Design Guidelines:

(a) A change in the location of a use from the location specified in the Design Guidelines, but only if the change in location will not have a significant impact on other uses in the area;

(b) The addition of uses that are comparable in density or intensity to those permitted under the Design Guidelines or a change in the mix of uses permitted but only if the addition or changes will not have a significant impact on other uses in the area;

(c) A change in the development standards set forth in the Design Guidelines that is comparable or more restrictive than those required under Design Guidelines or conforms to the intent of the Design Guidelines; and

(d) Any other change or modification of a similar nature, which the Planning Director determines will not have a material negative impact on the Planned Community.

A nonmaterial modification shall be reviewed and acted on administratively by the Planning Director within thirty (30) days. If Owner is aggrieved by the Director' decisions, Owner may appeal that decision directly to the City Council in accordance with the Applicable Rules. Material modifications include any modification which does not qualify as a nonmaterial modification, and shall be processed in accordance with the Applicable Rules.

4.4 Subdivision Maps.

(a) Except as provided in subsection (b) of this section, the Parties agree that any Subdivision Maps required or requested by Owner in connection with the Planned Community shall be reviewed and considered for approval in accordance with the Applicable Rules.

(b) City agrees to accept and timely process all parent maps requested by the Owner. Owner agrees that City may require one or more of the following prior to the recordation of a parent final map:

(i) City approval of the Master Traffic Study;

(ii) City approval of the Master Drainage Plan;

(iii) City approval of and conformance to the Master Sewer Plan; and

(iv) City Council approval of a resolution or similar statement indicating the City's intent to create a Special Improvement

District to develop infrastructure in the Planned Community, or in the absence thereof, land dedications and Owner's execution of the City's standard Offsite Improvements Agreement to assure such development.

4.5 Dedicated Staff. City will endeavor to designate at least one person in the various City departments to be knowledgeable for processing matters related to the Planned Community. Such person will be familiar with the Planned Community, including without limitation, this Agreement, the Design Guidelines and the Applicable Rules. The following City departments and divisions will have such a person so designated:

(a) Department of Planning and Development;

(b) Building and Safety Department;

(c) Public Works Department;

(d) Right-of-Way Section of the Department of Public Works;

(e) Traffic Division of the Department of Public Works;

(f) Flood Control Division of the Department of Public Works;

(g) Such other City Departments, divisions or agencies as may be necessary to process applications related to the Planned Community; and

(h) Surveying Section of the Department of Public Works.

City agrees to use its reasonable efforts to utilize such dedicated staff members for the processing of all matters related to the development of the Planned Community, including, without limitation, street vacations, Subdivision Maps, improvement plans, studies, reports, dedication documents, building plans, landscape plans and all other submittals. Owner shall have no recourse against City for any failure to accomplish the expedited processing intended by this Section 4.5. City's express plans checks are available to Owner at Owner's sole expense pursuant to the Applicable Rules.

4.6 Maintenance of Public and Common Areas.

4.6(a) City hereby agrees that, except for any landscaped areas and landscape appurtenances located inside the public right-of-way, all of the dedicated public roadways, curbs and street lights which are within or adjacent to the Planned Community will be maintained by the City in good condition and repair at the City's sole cost and expense pursuant to the Applicable Rules. All landscaping within the public rights-of-way within or adjacent to the Planned Community shall be privately maintained by the Homeowner's Association or other Landscape Maintenance Organization associated with the Planned Community, and appropriate

encroachment agreements shall be entered for all such landscaping.

4.6(b) Owner agrees that prior to the release of any final maps for recording, other than a parent final map, Owner will cause to be formed one or more property owners associations within the Planned Community. With respect to any parent final map, Owner will cause the formation of a master association governing the property incorporated in the map. Such associations will be responsible to maintain in good condition and repair all of the landscaping and other facilities, other than those identified in Section 6 of this Agreement, which the City requires to be maintained by such associations as a condition of approval, including all developed and undeveloped landscaped areas such as parks and park facilities, trail corridors, drainage easements, sight visibility zones, and any landscaping on public rights of way. Owner agrees that such property owner associations shall be created pursuant to declarations of covenants and restrictions recorded against the Planned Community and that such associations shall have the power to assess the subject landowners to pay the cost of such maintenance and repair and to create and enforce liens in the event of the nonpayment of such assessments. Owner further agrees that such declarations will contain a covenant running to the benefit of the City, and enforceable by City, that such facilities will be maintained in good condition and repair. Such associations will be Nevada not-for-profit corporations with a board of directors elected by the subject landowners, provided, however, that so long as Owner owns any land covered by such declarations, Owner may control the board of directors of such association.

4.6(c) The declaration must be executed and recorded with the office of the Clark County Recorder of deeds, concurrently with the recording of any final map, other than a parent final map, in a manner acceptable to the City and must include the following provisions: i) give the governing board of the association the power to create a plan for the maintenance of the improvements and adopt the plan outlined in Section 4.7 below; ii) must indicate that the plan can be materially amended by such board only with the written consent of the City; iii) must provide that the declaration cannot be exercised or amended in any manner that would defeat or materially alter the plan; and iv) must provide that in the event the association fails to maintain the improvements in accordance with the provisions of the plan, the City may exercise its rights under the declaration, including the right of the City to levy assessments on the property owners for cost incurred by the City in maintaining the improvements, which assessments shall constitute liens against the land and the individual lots within the subdivision which may be executed upon and have the same priority as liens for real estate taxes. The City shall have the right to review the declaration for the sole purpose of determining its compliance with the provisions of this Section 4.

4.7 Maintenance Plan. The declaration will provide for a plan of maintenance of such improvements. Such plan must contain provisions that substantially conform to those set forth in Exhibit E. City and Owner may modify such standards as they from time to time agree.

4.8 Release of Owner. Following the Owner's compliance with the foregoing requirements for the creation of the associations to maintain the improvements, and approval of the maintenance plan with respect to each such association, City will look solely to such property owners associations in connection with the maintenance of the improvements in the particular development covered by the declaration and Owner shall have no further liability in connection

with the maintenance and operation of such improvements.

4.9 Additional Property.

(a) Owner may acquire additional land within the Planned Community. Such land will be automatically included within the terms and conditions of this Development Agreement, and will be subject to the requirements of the Design Guidelines and the Applicable Rules.

(b) Owner may not include property outside the boundaries of the Planned Community within the terms of this Agreement without the prior approval of the City Council.

4.10 Cooperation in Financing. City will execute and deliver within thirty (30) days of written request to Owner or any designee of Owner, such documents as may be reasonably requested to acknowledge that: i) City has no lien on the Property as a direct result of this Agreement, or that any lien is as stated by the City; ii) City shall recognize and allow a lender which has foreclosed or acquired a portion of the Planned Community from Owner to inure to the rights and benefits of this Agreement as to such property; and iii) Owner is not in default of this Agreement or if Owner is in default of this Agreement, the specific ground of default. Nothing herein shall be deemed to relieve Owner of its obligations under this Agreement or its liability for failure to perform its obligations under this Agreement.

4.11 Enforcement of Design Guidelines.

(a) General Intent.

City and Owner agree that it is in the best interests of both parties that all development within the Planned Community occur in conformance with the Design Guidelines. The parties hereby agree to follow the procedures set forth in this Section to ensure that the provisions of the Design Guidelines are uniformly enforced within the Planned Community.

(b) Development on Non-Owner Parcels.

City agrees that it will not process any building permit, Subdivision Map or Land Use Approval application involving a Non-Owner Parcel without first referring the application to Owner for Owner's review. Owner shall review such applications to determine whether the proposed project conforms to the standards set forth in the Design Guidelines.

Within thirty (30) days of receiving the application, Owner shall issue a report to the City indicating: i) whether the project conforms to the standards set forth in the Design Guidelines; ii) what standards, if any, the project fails to meet; iii) any recommendations Owner has to modify the project so that it does conform; and iv) any other information Owner

deems relevant to the proposed project. City shall not approve any application that Owner has identified as failing to meet the standards without first holding a public hearing and notifying Owner in writing of such hearing. Any hearing held pursuant to this Section shall be conducted in accordance with the Applicable Rules.

In the event Owner fails to issue the report within thirty (30) days, City may, without further notice to Owner, process the application in conformance with the Code and all other City rules, policies, regulations, general plans, laws or ordinances then in effect.

(c) Residential Development on Owner Parcels.

Owner shall have the sole responsibility to enforce the Design Guidelines with respect to Residential Development on the Owner Parcels. Owner shall certify, using a form that substantially complies with Exhibit F, that each proposed project conforms to the standards set forth in the Design Guidelines. City agrees that it will not process any building permit or Subdivision Map application until it receives the certification identified in this Section. After receiving such certification, the applications shall be processed in accordance with the Applicable Rules.

(d) Nonresidential Development on Owner Parcels.

Owner and City shall have joint responsibility for enforcing the Design Standards for Nonresidential Development on the Owner Parcels. Prior to submitting any building permit, Subdivision Map or Land Use Approval application for a Nonresidential Development, Owner shall review the application to determine whether the proposed project conforms to the standards set forth in the Design Guidelines.

Owner shall include in any building permit, Subdivision Map or Land Use Approval application a report indicating: i) whether the project conforms to the Design Guidelines; ii) what standards, if any, the project fails to meet; iii) any recommendations Owner has to modify the project so that it does conform; and iv) any other information Owner deems relevant to the proposed project. City agrees to process any application containing the report identified in this Section in accordance with the Applicable Rules.

4.12 Community Directional Signage. Pursuant to the Zoning Action, prior to the issuance of building permits for development within the Planned Community, Owner will submit to the Planning Department a plan showing temporary and directional signage for the Planned Community. The plan shall utilize themes and village identities consistent with the Design Guidelines.

The plan shall be reviewed and acted on administratively by the Planning Director within

thirty (30) days. If Owner is aggrieved by the Director's decision, Owner may appeal the decision directly to the City Council.

SECTION 5
REVIEW AND DEFAULT

5.1 Frequency of Reviews. As required by NRS Chapter 278, at least once every year during the term of this Agreement, on a date determined by Owner and City, Owner shall provide, and City shall review in good faith, a report submitted by Owner documenting the extent of Owner's and City's material compliance with the terms of this Agreement during the preceding two years.

The report shall contain information regarding the progress of development within the Planned Community, including, without limitation: (i) data showing the total number of residential units built and approved on the date of the report; (ii) specific densities within each project and within the Planned Community as a whole; and (iii) the status of development within the Planned Community and the anticipated phases of development for the next calendar year. In the event Owner fails to submit such a report, Owner shall be in default of this provision and City shall prepare such a report and conduct the required review in such form and manner as City may determine in its sole discretion. City shall charge Owner for its reasonable expenses, fees and costs incurred in conducting such review and preparing such report. If at the time of review an issue not previously identified in writing is required to be addressed, the review at the request of either party shall be continued to afford reasonable time for response.

5.2 Opportunity to be Heard. The report required by this Section shall be considered solely by the City Council. City and Owner shall each be permitted an opportunity to be heard orally and in writing before the City Council regarding performance of the parties under this Agreement. The Planning Director may, in his discretion, provide copies of the report to members of the City's Planning Commission for their information and use.

5.3 General Provisions-Default. In the event of any noncompliance with any provision of this Agreement, the party alleging such noncompliance shall deliver to the other in writing not less than thirty (30) days notice of default. The time of notice shall be measured from the date of certified mailing. The notice of default shall specify the nature of the alleged default and the manner and period of time in which it may be satisfactorily corrected, during which period the party alleged to be in default shall not be considered in default for the purposes of termination or institution of legal proceedings. Such period shall not be less than the thirty (30) day period required for notice of default. If the default is corrected, then no default shall exist and the noticing party shall take no further action. If the default is not corrected, the party charging noncompliance may elect any one or more of the following courses.

5.3(a) Option to Terminate. After proper notice and the expiration of the above-referenced period for correcting the alleged default, the party alleging the default may give notice of intent to amend or terminate this Agreement as authorized by NRS Chapter 278. Following any such notice of intent to amend to terminate, the matter shall be scheduled and noticed as required by law for consideration and review solely by the City Council.

5.3(b) Amendment or Termination by City. Following consideration of the evidence presented before the City Council and a finding that a default has occurred by Owner and remains uncorrected, City may amend or terminate this Agreement. Termination shall not in any manner rescind, modify, or terminate any vested right in favor of Owner, as determined under the Applicable Rules, existing or received as of the date of the termination. Owner shall have sixty (60) days after receipt of written notice of termination to institute legal action pursuant to Section 5.6 hereof to determine whether a default existed and whether City was entitled to terminate this Agreement.

5.3(c) Termination by Owner. In the event City substantially defaults under this Agreement, Owner shall have the right to terminate this Agreement after the hearing set forth in this Section. Owner shall have the option, in its discretion, to maintain this Agreement in effect, and seek to enforce all of City's obligations hereunder under the procedures set forth in this Section and Section 5.5.

5.3(d) Waiver. Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies in respect of any default shall not operate as a waiver of any default or any such rights or remedies, or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any of its rights or remedies.

5.4 Unavoidable Delay, Extension of Time. Neither party hereunder shall be deemed to be in default, and performance shall be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed or mandated by governmental entities, failure of governmental agencies (other than City) to perform acts or deeds necessary to the performance of this Agreement, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations, litigation, or similar matters beyond the control of the parties. In addition, nonperformance of a party hereunder shall be excused as a result of the failure of the other party to perform under this Agreement which failure of the other party actually causes such nonperformance. If written notice of any such delay is given to City within thirty (30) days after the commencement thereof, an automatic extension of time, unless otherwise objected to by City within thirty (30) days of such written notice, shall be granted coextensive with the period of the enforced delay, or longer as may be required by circumstances or as may be subsequently agreed to between City and Owner. Any such extensions of time shall have no effect upon the timing of and the conclusions reached in the reviews to be conducted pursuant to Section 5.1 above.

5.5 Legal Action. City and Owner agree that they would not have entered into this Agreement if either were to be liable for damages under or with respect to this Agreement that would be greater than without this Agreement. Accordingly, City and Owner may pursue any course of action or equity available for breach, except that neither party shall be liable to the other or to any other person for any monetary damages for a breach of this Agreement that are greater than such damages or liability would have been without this Agreement pursuant to the Applicable Rules. Prior to the institution of any legal action, the party seeking legal action must give the thirty (30) day notice of default as set forth in Section 5.3. Following such notice, a

public hearing must be held by the City Council where the allegations will be considered and a decision regarding their merits will be reached. Any judicial review of this decision or any legal action taken pursuant to this Agreement will be heard by the court under the standard of review appropriate to Court review of zoning actions and the decision of the City Council shall be overturned or overruled if its decision is clearly arbitrary and capricious. Judicial review of the decision of the City Council shall be limited to the evidence presented to the City Council at the public hearing. Jurisdiction for judicial review or any judicial action under this Agreement shall rest exclusively with the Eight Judicial District Court, State of Nevada or the Federal Court in Nevada.

5.6 Notices. All notices required by this Section shall be sent in accordance with Section 12.7.

5.7 Applicable Laws; Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Each party shall bear its own attorneys' fees and court costs in connection with any legal proceeding hereunder.

SECTION 6
PARKS AND TRAILS

6.1 General. Owner shall design, construct and dedicate to City the parks and trails facilities described in this Section. All such facilities shall meet the requirements of the Applicable Rules and be available for use by the general public on a non-discriminatory basis.

6.2 Parks. Owner shall design, construct and dedicate to City the parks identified as pods 111 and 302 in the Design Guidelines.

6.2(a) Required Amenities. Each park required by this Section shall include all or some of the following amenities: turf areas, trees and other plantings, irrigation, playground apparatus, playing fields and areas, picnic areas, horseshoe pits, jogging and walking paths, exercise equipment, Frisbee golf, water play features and other apparatuses designed to serve the residents of the Planned Community.

6.2(b) Time for Completion. Owner shall commence construction and complete the parks identified as pods 111 and 302 as follows:

	Commence Construction	**Complete Construction**
Pod 111	Prior to issuance of permit for the 2,500th residential unit	Prior to issuance of permit for the 6,000th residential unit
Pod 302	Prior to issuance and the permit for the 6,000th residential unit	Prior to issuance of the permit for the 7,200th residential unit

6.2(c) Limitation on Owner's Obligation. Except as provided in this subsection, Owner's total financial obligation to provide the parks identified in this Section shall not exceed $4,000,000.

If the parks required by this subsection are not completed by December 31, 2010 (the "Scheduled Completion Date"), then the Owner's obligation shall be increased as of said date by the amount which is equal to the percentage increase in the cost of living during the period of time between the Effective Date of this Agreement and the Scheduled Completion Date. The City shall compute the increase in the cost of living based on U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers for all items, Los Angeles-Riverside-Orange County, CA region (1982-84 = 100), published by the Bureau of Labor Statistics of the U.S. Department of Labor (the "Index"). Said increase shall be made by multiplying the Owner's obligation by a fraction the numerator of which shall be the Index number for the month immediately prior to the Scheduled Completion Date and the denominator of which shall be the index number for the month immediately prior to the Effective Date of this Agreement. The City's computation thereof shall be conclusive and binding, but shall not preclude any adjustment which may be required in the event of a published amendment of the Index figures upon which the computation was based. If at a time required for the determination of the adjusted obligation, the Index is no longer published or issued, the City shall select and use such alternate index as is then generally recognized and accepted for similar determinations of purchasing power.

6.3 Multi Use Transportation Trail. Owner shall construct and dedicate to the City the Multi Use Transportation Trail depicted in the Design Guidelines. The trail shall be constructed in conformance with the design standards set forth in the Applicable Rules. Owner shall commence construction of the trail on or before January 31, 2006, and shall complete construction no later than December 31, 2008.

6.4 Thematic Parkway Loop. Owner shall construct and dedicate to City the trail and open space facilities identified in the Design Guidelines as the Thematic Parkway Loop. Such facilities shall include all or some of the following amenities: turf areas, walking, jogging and biking paths, trees, plants, irrigation and other apparatuses designed to serve residents of the Planned Community. The facilities shall be designed in a manner acceptable to City, and shall be constructed concurrent with the construction of the adjacent roadway.

6.5 Use of Flood Control Facilities. City will consider allowing Owner to have the right to construct parks, trails and recreational facilities within drainage corridors, drainage channels, and flood plains so long as such facilities meet the minimum design and construction standards of the City and the Clark County Regional Flood Control District (where applicable).

6.6 Residential Construction Tax. Chapter 4.24 of the Code imposes a fee upon the privilege of constructing residential units (hereinafter "Residential Construction Tax"). Owner and any Designated Builder shall be entitled to a credit against the Residential Construction Tax for the cost of any public facility constructed pursuant to this Section.

Credits shall be available to Owner and Designated Builders at the time Owner posts a bond for 100 percent of the estimated construction cost of the facility for which the credit is sought. The credit shall be initially limited to 75 percent of the estimated construction cost of the facility. After the facility is constructed and dedicated to City and/or accepted as complete by City, Owner shall provide to City copies of all construction invoices, bills and payment checks.

City will then adjust the final credit to reflect the actual construction costs of the facility.

6.7 Ownership, Control and Limitation of Owner Obligations. City acknowledges that development of certain facilities described in this Section are dependent on City obtaining a BLM lease or the right to use private property not controlled by Owner. In the event City is unable to obtain the required lease or right in the time and manner consistent with Owner's obligation to complete the facility, Owner and City may mutually agree to adjust to timelines specified in this Agreement.

Owner shall have no obligation to participate in, pay, contribute or otherwise provide any further exaction, including special assessment district assessments, other assessments or Development Fees, or to provide land, facilities or improvements beyond those specified in this Section.

6.8 Cooperation In Obtaining Available Funding. City will cooperate with Owner to obtain and use, or to assist Owner in obtaining and using, any state, regional or federal funds (including, without limitation, funds available pursuant to the Southern Nevada Public Land Management Act of 1998, as amended) available for the acquisition, construction, or maintenance of public facilities required to be developed by Owner under this Section.

SECTION 7
WATER

7.1 Water Supply. The parties acknowledge that the City currently has no role in the allocation of water to customers of the Las Vegas Valley Water District. If, however, the City assumes any role in water allocation during the term of this Agreement, City agrees it will endeavor to allocate or cause to be allocated to the Planned Community water in order that the development of the Planned Community will continue uninterrupted. City and Owner will cooperate with the Las Vegas Valley Water District in granting over their respective properties reasonable easements or right-of-ways either on or off project necessary for the installation of water facilities to serve the development. Owner agrees to execute all Affidavits of Waiver and Consent forms required by City in order for water laterals and mains to be a part of any proposed special improvement districts.

SECTION 8
SANITATION

8.1 Sewer. Owner shall provide sanitary sewer system facilities in accordance with the sewer plan required by the Zoning Action. City agrees that no other off site sewer line will be required for the full development of the Planned Community. Owner shall grant rights-of-way or easements to perpetuate the continuation of sewer lines. City will assist, except financially, in obtaining all rights-of-way, permits, easements or other interests not owned by owner necessary to construct the facilities required in this Section. The City agrees that if any sewers required onsite to the Planned Community are required to be over sized in order to serve areas outside of the Planned Community, the City will offer reimbursement for the over sizing through its

standard sewer refunding process, except to provide capacity to property within the Planned Community. Except for sewer connection fees pursuant to the Applicable Rules, Owner shall have no obligation to participate in, pay, contribute or otherwise provide any further exaction, including special improvement district assessments, other assessments or Development Fees, to provide for facilities or improvements or for any other facilities, equipment or physical improvements relating to sanitary sewer service offsite of the Planned Community.

SECTION 9
TRANSPORTATION

9.1 Master Traffic Study. Owner shall prepare and submit to City a Master Traffic Study in accordance with the Zoning Action.

9.2 Project Transportation Improvements. Owner agrees to construct and dedicate to City the Project Transportation Improvements identified in the Master Traffic Study. Such improvements will be constructed in the manner and timeframe set forth in the Master Traffic Study.

9.3 Traffic Signal Improvements.

9.3(a) Imposition of Fee. The parties acknowledge that the imposition of a Traffic Signal Impact Fee will accommodate better orderly development within the Planned Community and the Northwest Area. Accordingly, City shall impose a Traffic Signal Impact Fee at the time of the issuance of any building permit within the Planned Community. The fee shall be calculated as set forth in this Section, and in accordance with the Master Traffic Study. The fee shall be paid by the applicant for the building permit.

9.3(b) Schedule of Fees. The City shall impose and collect the fee required by this Section pursuant to the schedule shown as Exhibit G:

9.3(c) Exemptions. The following shall be exempt form the imposition of the fee identified in this Section. An exemption must be claimed at the time of application for a building permit.

1. Alterations of an existing dwelling unit where no additional dwelling units are created.

2. Replacement of a destroyed or partially destroyed or moved residential building or structure with a new building or structure of the same use, and with the same number of dwelling units.

3. Replacement of a destroyed or partially destroyed or moved nonresidential building or structure with a new building or structure of the same gross floor area and use.

4. In order to promote the economic development of the City or the public health, safety, and general welfare of its residents, the City

Council may agree to pay some or all of the fees imposed by this Section from other funds of the City that are not restricted to other uses. Any such decision to pay impact fees on behalf of an applicant shall be at the discretion of the City Council and shall be made pursuant to goals and objectives articulated by the City Council.

9.3(d) Refunds.

1. If an applicant has paid a Traffic Signal Impact Fee Pursuant to this Section, and the building permit later expires without the possibility of further extension, and the development activity for which the impact fee was imposed did not occur and no impact has resulted, then the applicant who paid such fee shall be entitled to a refund of the fee paid, without interest. In order to be eligible to receive such refund, the applicant who paid such fee shall be required to submit an application for such refund within thirty (30) days after the expiration of the permit or extension for which the fee was paid.

2. At the time of payment of any fee under this Section, the City shall provide the applicant paying such fee with written notice of those circumstances under which refunds of such fees will be made. Failure to deliver such written notice shall not invalidate any collection of any impact fee under this Section.

3. Each refund must be paid to the owner of the property of record at the time the refund is paid. If the City paid the impact fee, the refund must be paid to the City.

9.3(e) Use of Fee. City agrees to use all fees collected pursuant to this Section to install only those Traffic Signal Improvements shown on the Traffic Signal Capital Improvement Plan. City agrees to install such improvements at such time as they are warranted by the Applicable Rules and the Master Traffic Study.

9.3(f) Owner Construction of Traffic Signal Improvement/Reimbursement. Owner may, in its discretion, elect to install Traffic Signal Improvements within the Planned Community and shown on the Traffic Signal Capital Improvement Plan, so long as such improvements are warranted by the Applicable Rules. After the improvement is constructed and dedicated to the City, Owner shall provide to City copies of all construction invoices, bills or payment checks. City shall, within ninety (90) days of receiving such invoices, bills or checks, reimburse Owner for the reasonable and customary construction costs of the improvement, up to a maximum of the total traffic mitigation contributions made by Owner for the Planned Community at the time of reimbursement. Allowable costs in excess of the allowable maximum shall be considered as credits against future contributions unless otherwise agreed by Owner and City.

9.4 Limitation on Owner's Obligations. Owner shall have no obligation to participate in, pay, contribute or otherwise provide any further exaction, including special assessment district assessments, other assessments or Development Fees, or to provide facilities or improvements beyond those specified in this Section.

SECTION 10
FLOOD CONTROL

10.1 Flood Control Facilities and Technical Drainage Studies. Owner shall be required to construct those flood control facilities identified in the Master Drainage Study which are necessary for the flood protection of the Planned Community or for mitigation of downstream flood impacts caused by the development of the Planned Community, if any. All facilities will be planned and designed based on ultimate developed conditions identified in the Master Drainage Study. Owner shall be responsible for paying for the costs of constructing any facilities necessary and shall dedicate all rights of way and easements to accommodate such facilities. Owner or its designee shall prepare a technical drainage study acceptable to the City for each phase of development prior to recording any final map (not including the parent final map) or the issuance of any grading or building permits within that phase. Owner or its designee is responsible for updating the Master Drainage Study in the event that a technical drainage study for a project phase identifies any revisions to the approved infrastructure streets, flood control facilities, flow paths, and flow rates. The Clark County Regional Flood Control District and Clark County Department of Development Services must also accept the Master Drainage Study prior to final approval from the City of Las Vegas. City will assist (except financially) in obtaining all rights-of-way, permits, easements or other interests from the Bureau of Land Management necessary to construct the facilities required in this Section.

10.1(a) Flood Control Facilities. Owner agrees to design and construct, or bond for, the following Clark County Regional Flood Control District facilities (per the Flood Control 2002 Master Plan Update), through and adjacent to the Planned Community, prior to the recordation of any final map (other than a parent final map) or the issuance of any grading or building permits within the area protected by the facility:

1. Kyle Canyon Detention Basin Outfall Facilities (CNGT 0118, 0168, 0234);
2. Elkhorn and Hualapai (EKHU 0000);
3. Rancho Road System – Beltway (RCHB 0395).

An interim drainage channel/berm in lieu of the permanent regional facilities could be considered acceptable for the Kyle Canyon Detention Basin Outfall from the basin to Grand Teton (CNGT 0234). However, the remaining regional drainage facilities within and adjacent to the Planned Community must be permanent in nature and comply with the 2002 Master Plan Update. Any deviations in alignments or locations of the regional facilities from the 2002 Master Plan Update will require a master plan change/amendment through the Clark County Regional Flood Control District.

If required by the Master Drainage Study or technical drainage studies, the above facilities or portions thereof shall be constructed prior to issuance of any building permits for downstream units or alternate flood protection or mitigation acceptable to City must be provided. City may agree to review interim drainage studies and flood protection measures as required to obtain

agree to review interim drainage studies and flood protection measures as required to obtain construction-phasing approval.

Except as otherwise set forth above, Owner shall have no obligation to participate in, pay, contribute or otherwise provide any further exaction, including special improvement district assessments, other assessments or Development Fees, to provide for, facilities or improvements for flood control improvements outside of the Planned Community that are a substitute therefore, except to the extent necessary to comply with the required drainage studies.

SECTION 11
SPECIAL IMPROVEMENT DISTRICT

11.1 Consideration of Special Improvement District. City agrees to consider and, if appropriate, process, facilitate, and expedite, with due diligence, any applications for developer initiated special improvement districts which may be identified as material to the development of the Planned Community. The Parties agree, however: (i) that nothing contained in this Section or elsewhere in this Agreement constitutes in any way a pre-approval or authorization of any such developer initiated special improvement districts; and (ii) any developer initiated special improvement district must be processed and approved pursuant to the Applicable Rules.

SECTION 12
GENERAL PROVISIONS

12.1 Duration of Agreement. The term of this Agreement shall commence upon the Effective Date and shall expire on the tenth (10th) anniversary of the Effective Date, unless terminated earlier pursuant to the terms hereof. City agrees that Owner shall have the right to extend the term of this Agreement for an additional ten (10) years upon the following conditions:

(i) Owner provides written notice of such extension to City prior to the expiration of the original ten (10) year term of this Agreement; and

(ii) Owner is not in default of this Agreement.

Upon such extension of this Agreement, Owner and City shall enter into an amendment to this Agreement memorializing the extension of the term.

12.2 Assignment.

12.2(a) To an Affiliate of Owner. The rights of Owner under this Agreement may be freely transferred or assigned to an Affiliate of Owner provided that such entity shall assume in writing all obligations of Owner hereunder, and provide substitute security in form and amount acceptable to the City for any security previously provided by Owner in compliance with the Code, if any.

12.2(b) To a Third Party. If Owner sells or transfers more than fifty percent (50%) of the Planned Community to a party other than an Affiliate, Owner shall be relieved of its obligations under this Agreement, provided that such transferee assumes all duties and obligations of Owner then unsatisfied and provides substitute security, in form and amount acceptable to City, for any of Owner's previous obligations for which Owner provided performance security, if any.

12.2(c) Transfer Not to Relieve Owner of its Obligation. Except as expressly provided herein, no assignment or transfer of any portion of the Planned Community shall relieve Owner of its obligations hereunder as to the portion of the Planned Community so assigned or transferred, and such assignment or transfer shall be subject to all of the terms and conditions of this Agreement, provided, however, that no such transferee shall be deemed to be the Owner hereunder unless such transferee expressly assumes such obligations and duties of Owner. This subsection shall have no effect upon the validity of obligations recorded as covenants, conditions, restrictions or liens against parcels of real property.

12.2(d) In Connection with Financing Transactions. Owner has full discretion and authority to transfer, assign or encumber the Planned Community or portions thereof, in connection with financing transactions, without limitation to the size or nature of any such transaction, the amount of land involved or the use of the proceeds therefrom, and may enter into such transactions at any time and from time to time without permission of or notice to City. All such financing transactions shall be subject to the terms and conditions of this Agreement.

12.3 Amendment or Cancellation of Agreement. Except as otherwise permitted by NRS Chapter 278 and this Agreement, this Agreement may be amended from time to time or canceled, but only upon the mutual written consent of the parties hereto. All proposed amendments shall be considered solely by the City Council.

12.4 Indemnity; Hold Harmless. Except as expressly provided in this Agreement, Owner shall hold City, its officers, agents, employees, and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage which may arise from the direct or indirect operations of Owner or those of its contractors, subcontractors, agents, employees, or other persons acting on Owner's behalf which relate to the development of the Planned Community. Owner agrees to and shall defend City and its officers, agents, employees, and representatives from actions for damages caused or alleged to have been caused by reason of Owner's activities in connection with the development of the Planned Community. Owner agrees to indemnify, hold harmless, and provide and pay all costs and attorneys fees for a defense for City in any legal action filed in a court of competent jurisdiction by a third party alleging any such claims or challenging the validity of this Agreement. The provisions of this Section shall not apply to the extent such damage, liability, or claim is proximately caused by the intentional or negligent act of City, its officers, agent, employees, or representatives.

12.5 Binding Effect of Agreement. Subject to Section 12.2 hereof, the burdens of this Agreement bind, and the benefits of this Agreement inure to, the parties' respective successors in interest and the property which is the subject of this Agreement.

12.6 Relationship of Parties. It is understood that the contractual relationship between City and Owner is such that Owner is not an agent of City for any purpose and City is not an agent of Owner for any capacity.

12.7 Notices. All notices, demands and correspondence required or provided for under this Agreement shall be in writing and delivered in person or mailed by certified mail postage prepaid, return receipt requested. Notices shall be addressed as follows:

To City:

CITY OF LAS VEGAS
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Planning Director

To Owner:

CLIFFS EDGE, LLC
3455 Cliff Shadows Parkway
Suite 220
Las Vegas, Nevada 89129
Attention: Tom Devore

Either party may change its address by giving notice in writing to the other and thereafter notices, demands and other correspondence shall be addressed and transmitted to the new address. Notices given in the manner described shall be deemed delivered on the day of personal delivery or the date delivery of mail is first attempted.

12.8 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all of any part of the subject matter hereof.

12.9 Waivers. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate officers of City and/or Owner, as the case may be.

12.10 Recording; Amendments. Promptly after execution hereof, an executed original of this Agreement shall be recorded in the Official Records of Clark County, Nevada. All amendments hereto must be in writing signed by the appropriate officers of City and Owner in a form suitable for recordation in the Official Records of Clark County, Nevada. Upon completion of the performance of this Agreement, or its earlier revocation or termination, a statement evidencing said completion, revocation or termination shall be signed by the appropriate officers of the City and Owner and shall be recorded in the Official Records of Clark County, Nevada.

12.11 Headings; Exhibits; Cross References. The recitals, headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All exhibits attached to this Agreement are incorporated herein by the references contained herein. Any term used in an exhibit hereto shall have the same meaning as in this Agreement unless otherwise defined in such exhibit. All references in this Agreement to sections and exhibits shall be to sections and exhibits to this Agreement, unless otherwise specified.

12.12 Release. Each residential lot shown on a recorded Subdivision Map within the Planned Community shall be automatically released from the encumbrance of this Agreement without the necessity of executing or recording any instrument of release upon the issuance of a building permit for the construction of a residence thereon.

12.13 Severability of Terms. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect, provided that the invalidity, illegality or unenforceability of such terms does not materially impair the parties' ability to consummate the transactions contemplated hereby. If any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall, if possible, amend this Agreement so as to affect the original intention of the parties.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the day and year first above written.

CITY:

CITY COUNCIL, CITY OF LAS VEGAS

By: _____
OSCAR B. GOODMAN, MAYOR

APPROVED AS TO FORM:

Thomas R. Green 3/24/04
DEPUTY CITY ATTORNEY

ATTEST:

CITY CLERK

By: _____
BARBARA J. RONEMUS, CITY CLERK

OWNER:

CLIFFS EDGE, LLC,
a Nevada limited liability company

MP

By: _____

Name: JOHN A. RITTER

Title: Manager

SUBSCRIBED AND SWORN TO before me on this 22ND day of March, 2004.

Amanda Dalton
Notary Public in and for said County and State

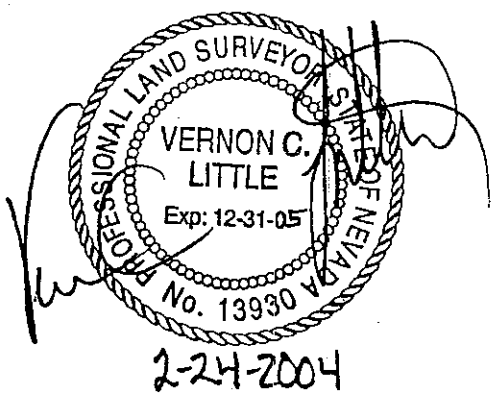
NOTARY PUBLIC
STATE OF NEVADA
County of Clark
AMANDA DALTON
Appt No. 00-64522-1
My Appt Expires March 22, 2006

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
AMANDA DALTON
Appt No. 00-64522-1
My Appt Expires March 22, 2006

EXHIBIT A

[Legal Description of Property Subject To Agreement]

vtn nevada
CONSULTING ENGINEERS ● PLANNERS ● SURVEYORS
2727 SOUTH RAINBOW BOULEVARD
LAS VEGAS, NEVADA 89146-5148



FEBRUARY 24, 2004
W.O. 5969
BY: VCL
P.R. BY: TZ

EXPLANATION:
THIS LEGAL DESCRIBES A PARCEL OF LAND GENERALLY LOCATED SOUTHWESTERLY OF GRAND TETON DRIVE AND HUALAPAI WAY FOR DEVELOPMENT AGREEMENT DESCRIPTION PURPOSES.

LEGAL DESCRIPTION
CLIFFS EDGE
DEVELOPMENT AGREEMENT

BEING PORTIONS OF SECTION 13 AND PORTIONS OF SECTION 24, TOWNSHIP 19 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 13, SAME BEING THE CENTERLINE INTERSECTION OF GRAND TETON DRIVE AND PULI ROAD; THENCE NORTH 87°50'15" EAST, ALONG THE NORTH LINE OF SAID SECTION 13, COINCIDENT WITH THE CENTERLINE OF SAID GRAND TETON DRIVE, 687.41 FEET; THENCE SOUTH 00°49'59" EAST, DEPARTING SAID NORTH LINE AND SAID CENTERLINE, 659.40 FEET; THENCE NORTH 87°56'49" EAST, 343.30 FEET; THENCE NORTH 00°47'57" WEST, 660.07 FEET TO THE NORTH LINE OF SAID SECTION 13, SAME BEING THE CENTERLINE OF GRAND TETON DRIVE; THENCE NORTH 87°50'15" EAST, ALONG SAID NORTH LINE AND ALONG SAID CENTERLINE, 1718.52 FEET; THENCE NORTH 87°49'54" EAST, CONTINUING ALONG SAID NORTH LINE AND ALONG SAID CENTERLINE, 2063.72 FEET; THENCE SOUTH 00°20'43" EAST, DEPARTING SAID NORTH LINE AND SAID CENTERLINE, 668.87 FEET; THENCE NORTH 87°58'52" EAST, 686.70 FEET TO THE EAST LINE OF SAID SECTION 13, SAME BEING THE CENTERLINE OF HUALAPAI WAY; THENCE SOUTH 00°14'47" EAST, ALONG SAID EAST LINE AND ALONG SAID CENTERLINE, 1006.02 FEET; THENCE SOUTH 88°11'24" WEST, DEPARTING SAID EAST LINE AND SAID CENTERLINE, 684.89 FEET;

THENCE SOUTH 00°20'43" EAST, 334.60 FEET; THENCE NORTH 88°14'56" EAST, 342.15 FEET; THENCE SOUTH 00°17'45" EAST, 669.92 FEET; THENCE NORTH 88°22'02" EAST, 341.55 FEET TO THE EAST LINE OF SAID SECTION 13, SAME BEING THE CENTERLINE OF HUALAPAI WAY; THENCE SOUTH 00°19'04" EAST, ALONG SAID EAST LINE AND ALONG SAID CENTERLINE, 2674.27 FEET TO THE NORTHEAST CORNER OF SECTION 24, SAID TOWNSHIP AND RANGE; THENCE SOUTH 00°08'16" WEST, ALONG THE EAST LINE OF SAID SECTION 24 AND ALONG SAID CENTERLINE, 2010.01 FEET; THENCE DEPARTING SAID EAST LINE AND SAID CENTERLINE, ALONG THE FOLLOWING NINETEEN (19) COURSES: (1) SOUTH 88°49'24" WEST, 340.19 FEET; (2) SOUTH 00°08'25" WEST, 669.93 FEET; (3) SOUTH 88°50'11" WEST, 340.21 FEET; (4) NORTH 00°08'34" EAST, 1339.70 FEET; (5) SOUTH 88°48'37" WEST, 680.32 FEET; (6) SOUTH 00°08'51" WEST, 1339.39 FEET; (7) SOUTH 88°50'46" WEST, 339.29 FEET; (8) SOUTH 00°08'10" WEST, 669.16 FEET; (9) SOUTH 88°53'13" WEST, 667.99 FEET; (10) NORTH 00°05'14" EAST, 668.66 FEET; (11) NORTH 00°05'44" EAST, 669.37 FEET; (12) SOUTH 88°49'41" WEST, 339.49 FEET; (13) SOUTH 88°51'15" WEST, 681.95 FEET; (14) NORTH 00°08'09" EAST, 668.77 FEET; (15) SOUTH 88°48'43" WEST, 681.28 FEET; (16) SOUTH 00°11'38" WEST, 1336.56 FEET; (17) SOUTH 00°11'10" EAST, 1335.91 FEET; (18) NORTH 88°55'50" EAST, 339.85 FEET; (19) SOUTH 00°07'16" EAST, 1336.70 FEET TO THE SOUTH LINE OF SAID SECTION 24, SAME BEING THE CENTERLINE OF CENTENNIAL PARKWAY; THENCE SOUTH 89°00'28" WEST, ALONG SAID SOUTH LINE AND ALONG SAID CENTERLINE, 1691.81 FEET TO THE WEST LINE OF SAID SECTION 24, SAME BEING THE CENTERLINE OF PULI ROAD; THENCE NORTH 00°27'06" WEST ALONG SAID WEST LINE AND ALONG SAID CENTERLINE, 2668.61 FEET; THENCE NORTH 00°19'26" EAST, CONTINUING ALONG SAID WEST LINE AND ALONG SAID CENTERLINE, 2670.69 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 13; THENCE NORTH 00°55'58" WEST, ALONG THE WEST LINE OF SAID SECTION 13, AND ALONG THE CENTERLINE OF SAID PULI ROAD, 2635.04 FEET; THENCE NORTH 00°54'05" WEST, CONTINUING ALONG SAID WEST LINE AND ALONG SAID CENTERLINE, 2632.30 FEET TO THE POINT OF **BEGINNING**, AS SHOWN ON THE EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION", ATTACHED HERETO AND MADE A PART HEREOF.

CONTAINING 1016.43 ACRES, MORE OR LESS AS DETERMINED BY COMPUTER METHODS.

EXCEPTING THEREFROM THE SOUTH HALF (S 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 13, SAID TOWNSHIP AND RANGE;

CONTAINING 20.70 ACRES, MORE OR LESS AS DETERMINED BY COMPUTER METHODS.

FURTHER EXCEPTING THEREFROM THE EAST HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF THE SOUTHWEST QUARTER (SW1/4) AND THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 13, SAID TOWNSHIP AND RANGE;

CONTAINING 62.44 ACRES, MORE OR LESS AS DETERMINED BY COMPUTER METHODS.

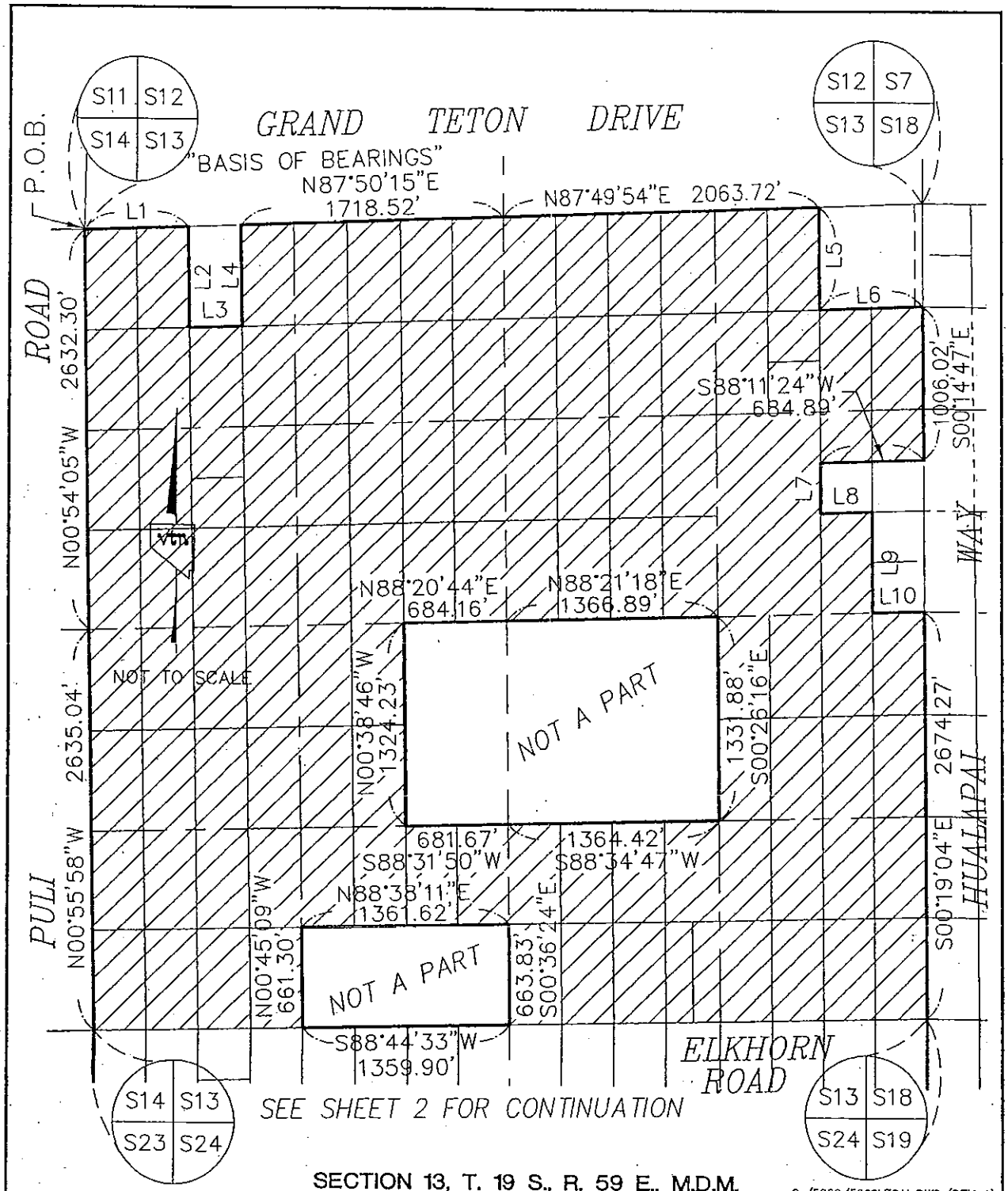
CONTAINING A TOTAL AREA OF 933.29 ACRES, MORE OR LESS AS DETERMINED BY COMPUTER METHODS.

BASIS OF BEARINGS:

NORTH 87°50'15" EAST, BEING THE BEARING OF THE NORTH LINE OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 13, TOWNSHIP 19 SOUTH, RANGE 59 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, AS SHOWN ON THAT CERTAIN RECORD OF SURVEY ON FILE IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA, IN FILE 124 OF SURVEYS, PAGE 94.

NOTE:
THIS LEGAL DESCRIPTION IS NOT INTENDED FOR SUBDIVIDING LAND NOT IN CONFORMANCE WITH NEVADA REVISED STATUTES.

END OF DESCRIPTION.



SECTION 13, T. 19 S., R. 59 E., M.D.M.

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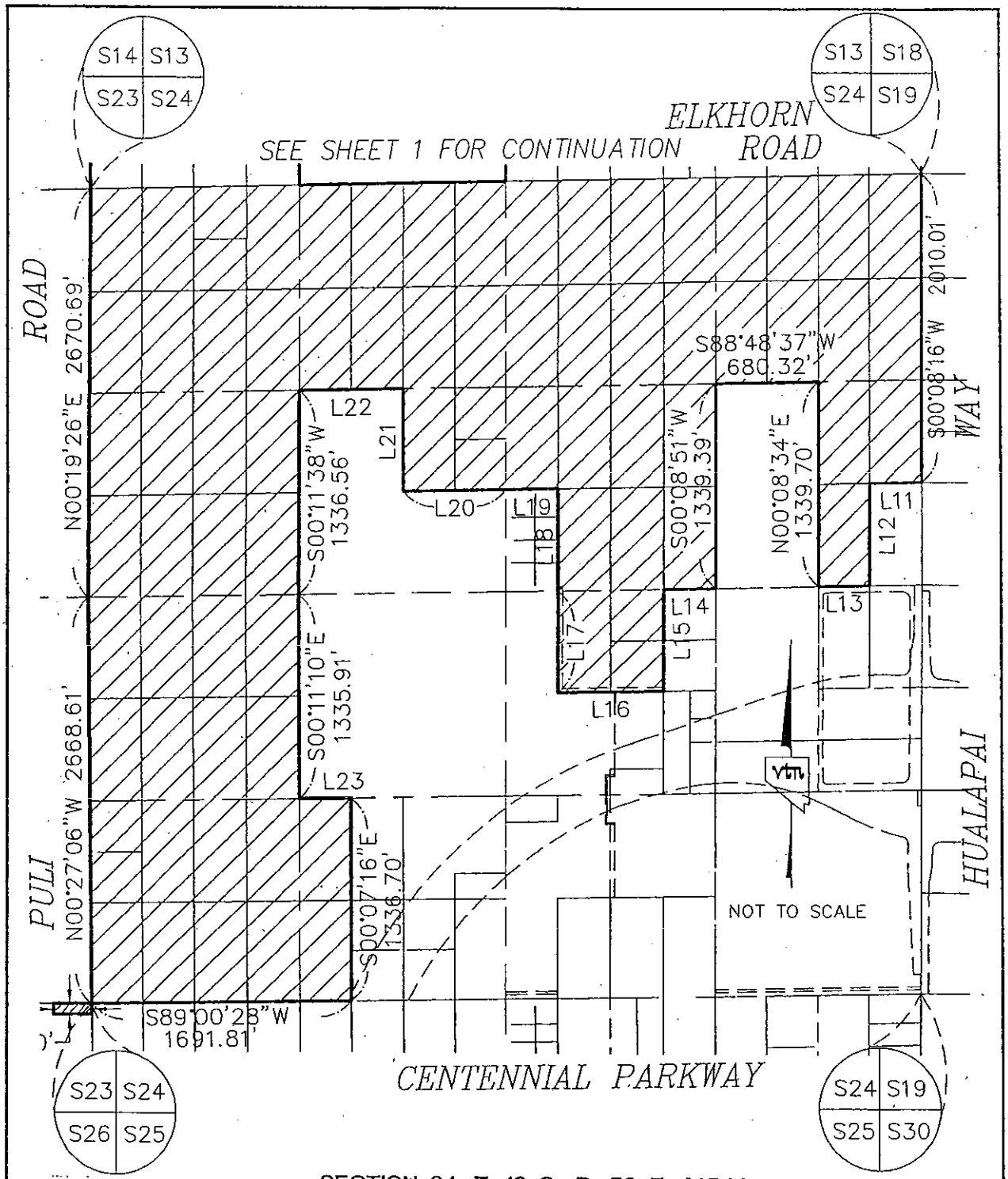
vtm nevada

2727 S. RAINBOW BOULEVARD
LAS VEGAS, NEVADA 89146-5148

EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

DEVELOPMENT AGREEMENT

SCALE	HORZ. NONE VERT. NA
W.O. NO.	5969
DRAWN BY:	VCL
DATE:	2/24/04
SHEET	1 OF 3



SECTION 24, T. 19 S., R. 59 E., M.D.M.

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vtm nevada

2727 S. RAINBOW BOULEVARD
LAS VEGAS, NEVADA 89146-5148

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

DEVELOPMENT AGREEMENT

SCALE	HORZ. NONE
	VERT. NA
W.O. NO.	5969
DRAWN BY:	VCL
DATE:	2/24/04
SHEET	2 OF 3

COURSE TABLE		
COURSE	BEARING	LENGTH
L1	N87°50'15"E	687.41'
L2	S00°49'59"E	659.40'
L3	N87°56'49"E	343.30'
L4	N00°47'57"W	660.07'
L5	S00°20'43"E	668.87'
L6	N87°58'52"E	686.70'
L7	S00°20'43"E	334.60'
L8	N88°14'56"E	342.15'
L9	S00°17'45"E	669.92'
L10	N88°22'02"E	341.55'
L11	S88°49'24"W	340.19'
L12	S00°08'25"W	669.93'
L13	S88°50'11"W	340.21'
L14	S88°50'46"W	339.29'
L15	S00°08'10"W	669.16'
L16	S88°53'13"W	677.99'
L17	N00°05'14"E	668.66'
L18	N00°05'44"E	669.37'
L19	S88°49'41"W	339.49'
L20	S88°51'15"W	681.95'
L21	N00°08'09"E	668.77'
L22	S88°48'43"W	681.28'
L23	N88°55'50"E	339.85'

G:/5969/5969LEGAL.DWG (DEV-2)

vtn nevada
2727 S. RAINBOW BOULEVARD
LAS VEGAS, NEVADA 89146-5148

EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

DEVELOPMENT AGREEMENT

SCALE	HORZ. NONE
	VERT. NA
W.O. NO.	5969
DRAWN BY:	VCL
DATE:	2/4/04
SHEET	3 OF 3

EXHIBIT B

[SID Guidelines]

MHF

CITY OF LAS VEGAS

DEVELOPER SPECIAL IMPROVEMENT DISTRICT GUIDELINES

December 2, 1992

TABLE OF CONTENTS

CITY OF LAS VEGAS
Developer Special Improvement District Guidelines

CITY OF LAS VEGAS
Developer Special Improvement District Guidelines

Under chapter 271 of Nevada Revised Statutes (NRS), the City is authorized to acquire street, sidewalk, water, sewer, curb, gutter, flood control and other publicly owned "infrastructure" improvements that benefit new development by the creation of a special improvement district as specified in NRS 271.265. The purpose of these guidelines is to outline the circumstances under which the City will consider this type of financing for new developments involving one or a small number of private property owners who intend on developing their property for residential, commercial, industrial or other beneficial use.

These guidelines apply to all assessment districts financed under NRS 271.710 through 271.730 and to all other assessment districts which both involve 15 or fewer property owners and involve properties 80% or more of which are unimproved, unless 50% or more of the cost of the project proposed to be funded is being funded from a governmental source other than special assessments or the proceeds of special assessment bonds (e.g., RTC).

The City Council reserves the right, on a case by case basis, to impose additional requirements or waive specific requirements listed herein. Such waived requirements shall be noted in the approval of any petition together with a finding that the deviation from this policy is in the best interest of the City. Additional requirements shall be noted in the approval.

A. Eligible Improvements.

1. Regional Improvements. The City will consider financing only regional infrastructure improvements i.e., regional improvements are those streets, storm drains, water systems, sewer and other utilities which will provide benefit to the entire project. Such projects are those with respect to which the City Council has made a finding of regional benefit which benefit the general area in which the development is located as opposed to improvements which exclusively benefit a particular subdivision. (Only the portion of the total cost that benefits the special improvement district will be assessed.) Thus, an arterial street or highway or major sewers, storm drains and water lines which provide benefit to the entire project and are found to be of general or regional benefit by the council, would be considered for financing.

2. Public Ownership Requirements. Only publicly owned infrastructure is eligible for financing. Privately-owned improvements such as electric, gas, and cable television improvements, streets or roads which are not dedicated to the City, and private portions of other improvements, such as water and sewer service lines from the property lines to the home or other structure are not eligible for financing.

3. Benefit. The improvements proposed to be constructed must benefit the property assessed by an amount at least equal to the amount of the assessment.

4. Subdivision Improvements. The City will not consider financing "subdivision" or "in-tract" improvements, that is, improvements within a subdivision that benefit only the land within a subdivision such as neighborhood streets.

5. Size. Generally, the City will not consider stand alone assessment districts which involve less than $2,500,000.

B. Environmental Matters.

1. A Phase 1 environmental assessment (hazardous waste assessment) on the property to be assessed, property on which the improvements are to be located and on any property to be dedicated to the City, must be provided by the property owner prior to the bonds being issued by the City. The property owner must also provide the City with an indemnification agreement in a form acceptable by and provided by the City, promising to indemnify the City against any and all liability and/or costs associated with any environmental hazards located on property assessed. With respect to abating environmental hazards that are located on property on which improvements financed with the assessment district are proposed to be located or on any property dedicated to the City, the City and the property owner will reach an accord before the bonds are issued. Where the Phase 1 assessment indicates that there may be an environmental hazard on any of the assessed property, the property owner will be required to abate the problem or to post security for environmental clean up costs prior to the City proceeding with the district. The environmental assessment shall be performed by an environmental engineer acceptable to the City.

2. The developer must undertake all steps required by the "Habitat Conservation Plan Compliance Report" or other future federal requirements in the project area and other areas owned by the same developer which are used in connection with the project.

C. Development.

1. Property Owner Experience. The property owner must demonstrate to the City that it has the expertise to develop the property involved in the assessment district. In order to demonstrate its ability to develop, the property owner should furnish the City with the following: (a) its last three years prior audited financial statements, (b) a list of prior development of similar or larger size which the property owner has completed, and (c) a list of references consisting of the names of officials of other political subdivisions in which the property owner has completed similar or larger size developments. The City will accept, in place of financial statements stated in (a) above, a comfort letter from a mutually acceptable CPA firm indicating for the past three (3)

years: (1) that a minimum level of net worth, acceptable to the City, has been maintained; (2) whether or not there have been any material adverse changes in operations; and (3) whether or not there have been any exceptions in the accountant's opinion letter on the property owner's financial statements. If this alternative is utilized, the property owner shall also provide such other financial information as the City and its consultants request.

2. Financing Completion; Equity The property owner must provide the City with its plan for financing the development to completion and advise the City of the amount of equity it has invested in the development.

3. Land Use. The proposed development must be consistent with the City's General Plan. The property owner must demonstrate that it reasonably expects to obtain the required discretionary development permits (e.g. subdivisions) in sufficient time to proceed with the development to completion as proposed. Proper zoning must have been obtained for the development.

4. Water, Sewer, and Other Utilities. The property owner must provide "will serve" or similar letters from the entities providing water, sewer and other utility (e.g. electricity, gas, telephone) services to the development stating that capacity is then in existence and reserved (or otherwise to be made available) for the development in a sufficient quantity for the development to proceed to completion as proposed.

5. Other Permits. The property owner must demonstrate that there are no significant permitting requirements (i.e. permitting requirements which could result in substantial delay or alteration in the project as proposed, e.g., wetlands permits, archeological permits, etc.) applicable to the project or other governmental impediments to development which have not yet been satisfied and which are required to be satisfied for the development to proceed to completion as proposed.

D. Assessment Bonds and Bond Security.

1. Primary Security. The primary security for bonds will be the assessment lien on the land proposed to be assessed. A preliminary title report indicating that the petitioners are the owners of all of the assessed property must accompany the petition. The City may also require title insurance on a case by case basis.

2. Reserve Fund. A reserve fund in an amount equal to the lesser of one year's principal and interest on the bonds or 10% of the proceeds of the bonds must be funded at the time bonds are issued.

3. Appraisal Valuation. The property owner must obtain and provide to the City an appraisal of the property which will be assessed which in the case of the appraised value of the property "as is" (prior to further subdivision and without considering the installation of the improvements) is at least equal to the amount of bonds proposed to be issued, and that the value of the property after the improvements financed with the assessment bonds are installed is at least three (3) times the amount of the bonds proposed to be issued. The appraiser must be acceptable to the City.

4. Additional Security. The property owner must demonstrate to the City that there is not significant financial risk to the City in issuing the bonds. If the City determines that it is not adequately protected by the security that is described in section D. 1, 2, and 3 above, the City can require additional security. This additional security can be satisfied in one or a combination of the following ways:

(a) Providing a source of security that is acceptable to the City Council and the property owner. The determination of the acceptability of the security shall be discussed with the property owner on a case by case basis.

(b) Providing an irrevocable letter of credit drawn on an acceptable bank in a form and an amount and with a term acceptable to the City.

(c) Pledging marketable securities in which form the City is permitted to invest City funds pursuant to Chapters 355 and 356 of NRS and which are acceptable to the City (e.g., U.S. Treasury obligations) and in an amount that is acceptable to the City. The City must obtain the sole first priority security interest in the pledged securities, and those securities must be held by the City or a City agent. Interest paid on the pledged securities, if there is not default in paying the assessment, will be paid to the owner of the securities.

A pro-rata portion of the foregoing additional security will be released with respect to any parcel assessed (1) which has been improved in any manner if the appraised value (as determined by an appraiser acceptable to the City) of the parcel is 5.0 or more times the amount of the unpaid assessment on such parcel or (2) on which a substantial improvement (e.g., a home or commercial building) has been completed if the parcel has a size of one acre or less or (3) to the extent that property is conveyed to one or more third-party property owners, then a proportionate amount of the foregoing additional security shall be released with respect to such conveyed property so long as such conveyed property does not exceed, in the aggregate, thirty percent (30%) of the entire property included within the district; provided, however, that any individual parcel conveyed to each such third-party property owner shall have a minimum value-to-lien ratio of 3:1.

5. Payment of Assessments; Capitalized Interest. The assessments shall be payable over not more than 20 years in substantially equal semiannual installments (excluding variable rate bonds with regard to equal payments) commencing within one year of the levy of assessments. The City will allow not more than two years of interest or the maximum permitted under federal tax laws, whichever is less, to be capitalized.

6. Absorption Study. The property owner must provide the City with funds with which to have an expert to prepare an absorption study. The City and property owners shall mutually agree upon the expert who is to prepare this study illustrating the economic feasibility of the project based upon supply and demand trends and estimated conditions in the market area for the proposed product mix. Provided, however, that if the appraiser of the real property for the project conducts his or her own absorption analysis, such absorption study may be accepted in lieu of this requirement.

7. Floating Rate Bonds. The City will consider applications for floating rate assessment bonds only if those bonds and the assessments underlying those bonds automatically convert to a fixed interest rate at or before the time the initial property owner sells property, regardless of whether the sale is wholesale sale to a merchant builder or a developer or a sale to a potential homeowner. Floating rate bonds must be secured by a letter of credit issued by a bank acceptable to the City.

8. No Pledge of General Fund or Taxing Power. The City will not pledge its general fund or taxing power to bonds.

9. Bond Underwriting Commitment. The property owner must demonstrate to the City and its financial advisor that bonds proposed to be issued for the financing are saleable. Prior to the time the City commences work on the assessment district, the property owner must provide the City with a letter from a reputable underwriter or bond buyer, acceptable to the City, which states that the underwriter has completed a due diligence review of the project and the property owner and believes that the bonds are marketable at an interest rate acceptable to the property owner based on then prevailing market conditions and that it is willing, subject to reasonable conditions precedent, to contract with the City to underwrite the bonds on a best efforts basis, or that the bond buyer has completed a due diligence review of the project and the property owner and intend to acquire the bonds at an interest rate which the bond buyer and property owner agree is acceptable and that it is willing, to contract with the City to so acquire the bonds.

E. Consultants. The City will permit the property owner to chose the consulting engineers and underwriter provided that the entities chosen are acceptable to the City. The City will select the assessment engineer, project management engineer, its financial consultants, bond counsel and bond trustee. The payment of all fees and expenses of these consultants (selected by the City) shall be the responsibility of the property owner; however, these consultants will be responsible to, and will act as consultants to, the City in connection with the district.

F. Expenses. The property owner will be required to pay out of its own pocket all of costs of the project prior to the time bonds are issued, including the costs of consulting engineers, assessment engineers, project management engineers, underwriters, the City's financial consultants, the City's bonds counsel, the cost of preparing the appraisals, absorption study, environmental review and other matters listed above. These items will be eligible for reimbursement from bond proceeds if the bonds are ultimately issued; however, the property owner must agree to pay these costs even if bonds are not issued. At the time of application, the City will provide an estimate for these expenses in order to enable the developer to more precisely anticipate costs associated with the process.

G. Project Acquisition. The City will acquire completed projects after final inspection by the City, an audit by the City assessment engineer and City staff, and acceptance by the City. Alternatively, the City will expend bond proceeds through a City-established progress payment system on uncompleted projects utilizing a construction payment management system. If this alternative is used, performance and payment bonds from a bonding company acceptable to the City, each in an amount at least equal to 100% of the cost of the project, and otherwise in such form as is approved by the Department of Public Works and the City Attorney must be provided to the City and must each indicate that the City is a beneficiary of those bonds. Additional construction security, as determined appropriate by the Department of Public Works and City Attorney, may be required.

H. Cost Overruns. The property owner must agree to fund all project costs which exceed the amount available from the proceeds of the bonds issued for the project. The City will not commit to issue additional bonds or otherwise provide funding for any such cost overruns.

I. Procedure.

1. Pre-Application Meeting. Initially, the property owner shall schedule a meeting with such representatives of the City as are designated by the City Manager to review the proposed development to discuss whether the development is one which may be eligible for financing under these guidelines.

2. Application. If the property owner decides to proceed after the initial meeting, all owners of record of property in the proposed district must sign a petition for the district and file the petition and an application which contains sufficient information and exhibits to demonstrate that the proposed district will comply with parts A-H of these guidelines. Copies of the petition and application must be filed with the office of the Director of Finance and the office of the Director of Public Works.

3. Council Approval. If after an initial review, the City staff believes the application satisfies parts A-H hereof, an item will be placed on the Council's agenda authorizing negotiations with respect to the proposed project. If this item is approved by the Council, it is anticipated that staff will be authorized to begin negotiating the particulars of the financing with the property owner and other appropriate parties.

4. Security for Costs. Prior to entering negotiations, the property owner must post a letter of credit, surety bond, cash or other acceptable form of security for payment of the costs described in F above in an amount determined by the Director of Finance. The interest on the security will be paid to the developer. The City shall invest such security according to NRS 355 and 356.

EXHIBIT C

[Traffic Signal Capital Improvement Plan]

2003-2013
Capital Improvements Plan
for Traffic Signal Impact Fees

Las Vegas, Nevada

prepared by **duncan** associates

May 2003

Contents

List of Tables and Figures

INTRODUCTION

Currently, traffic signals in Las Vegas are primarily funded by the Clark County Regional Transportation Commission (RTC) as part of road projects, or by developers as a condition of development approval. The current developer exaction process requires developers to prepare a traffic impact study, and to pay fees to mitigate their impact on the need for traffic signals. The proposed traffic signal impact fee system would replace the current exaction process. The impact fee system would be more equitable than the current system, since all developers would participate, regardless of the size of the development. It would also be simpler for the City to administer.

This document represents the "capital improvements plan" for traffic signal impact fees required by Nevada law as a prerequisite to the adoption of impact fees. The development of traffic signal impact fees is an outgrowth of the *Impact Fee Feasibility Study* prepared for the City of Las Vegas by the consultant in association with PBS&J in August 2001. That study examined the feasibility of impact fees for a number of other facilities, including roads, storm drainage, parks and fire protection. Ultimately, the City has decided to proceed only with traffic signals at this time.

LEGAL FRAMEWORK

Impact fees in Nevada are governed by Chapter 278B, Nevada Revised Statutes (NRS), the State's impact fee enabling act. The Nevada Supreme Court has construed the act strictly in accordance with its terms. In *Southern Nevada Home Builders Assoc. v. City of North Las Vegas*,[1] the Nevada Supreme Court considered the validity of a local impact fee imposed for public safety purposes. Citing the facilities listed in the enabling act, the court held:

> We conclude that the language of NRS 278B is clear on its face, allowing impact fees only for the enumerated projects. However, even if NRS 278B were considered ambiguous, the legislative history of the statute clearly reflects an intent to restrict the projects for which impact fees could be imposed.

Assembly Bill 458, effective July 1, 2001, amended NRS 278B.130, which defined the term "street project" to include traffic signals. This amendment makes it clear that traffic signal impact fees are authorized under State law in Nevada.

SERVICE AREA AND BENEFIT DISTRICTS

In an impact fee system, a "service area" is a geographic area in which a set of capital facilities benefits the development located in the area, and all new development in the area is subject to a single fee schedule. A similar concept is that of "benefit district," which is an area in which the fees collected are earmarked for expenditure. A service area may be divided into multiple benefit districts in order to show a greater link between fees paid and benefit received, even though the larger service area is appropriate for determining average costs to serve new development.

[1] 112 Nev. 297, 913 P.2d 1276 (1996)

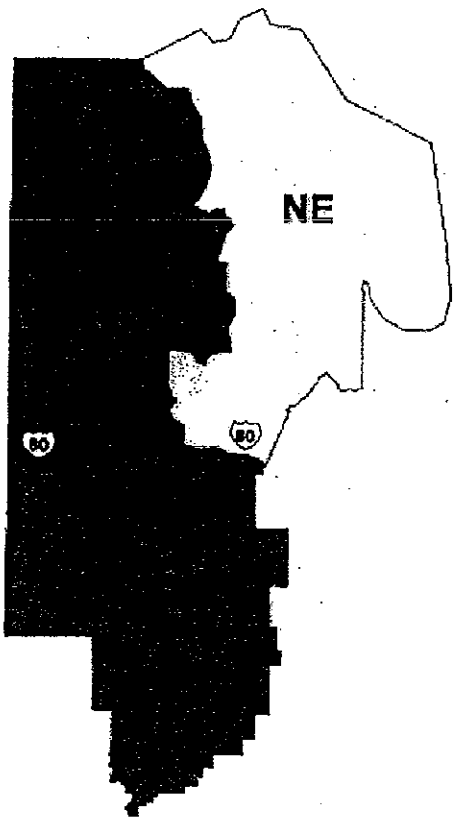
NRS 278B states that the land use assumptions must be prepared for "a specified service area." The capital improvements plan, in turn, must include a description of the capital improvements and costs for each service area, based on the approved land use assumptions. Finally, impact fees collected from development within a service area must be spent within the same service area. As defined by NRS 278B:

> "Service area" means the area within the boundaries of the local government which is served and benefitted by the capital improvement or facilities expansion as set forth in the capital improvements plan.

Local governments in Nevada have considerable discretion in the designation of service areas. In general, the capital facilities within a service area should be reasonably accessible to and provide service to development throughout the service area. As a general rule, the fewer the number of service areas, the better. Since funds collected from a service area must be spent within the same service area, the creation of a large number of small service areas will restrict the flexibility of spending impact fee revenues and may make it difficult to accumulate sufficient funds in some service areas within the ten years allowed by law to spend them.

Traffic signals are almost exclusively installed on arterial streets. The arterial street system is designed to move traffic throughout a community. Consequently, the service area for the proposed traffic signal impact fees is the entire incorporated area of the City. The service area will grow over time as the City annexes land from the surrounding unincorporated area and unincorporated islands. The existing city limits of the City of Las Vegas are shown in Figure 2, along with the location of existing signals and potential locations for future signal installations.

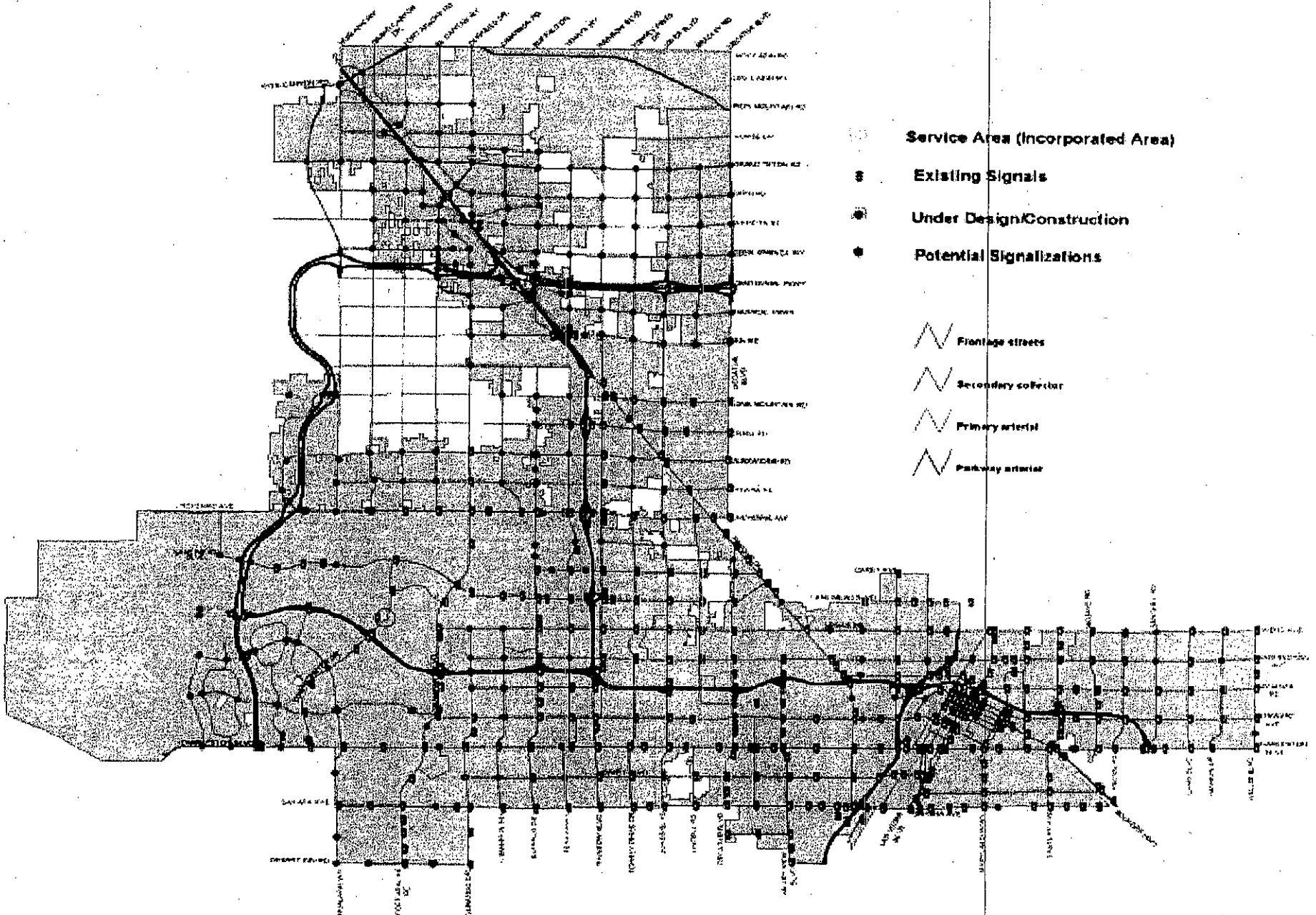
Figure 1
WASHOE COUNTY
BENEFIT DISTRICTS



Even with a city-wide service area, the City may wish to consider dividing the city into benefit districts. Multiple benefit districts require impact fees to be spent in closer proximity to the fee-paying development than would be the case under a single benefit district. For example, Washoe County's multi-jurisdictional road impact fee, which applies to Reno, Sparks and a portion of unincorporated Washoe County, uses a single service area and fee schedule, but earmarks funds collected for expenditure in three benefit districts, as illustrated in Figure 1.

While the City will consider multiple service areas or benefit districts for other types of facilities, traffic signals are unique in that the location of improvements is determined by whether warrants are met for signal installation. Dividing the city into benefit districts would not give developers any greater certainty that a nearby intersection would be signalized than would a city-wide service area, since the City is committed to install the signal once warrants are met. For this reason, a single city-wide service area and benefit district is recommended for the proposed traffic signal impact fees.

Figure 2
TRAFFIC SIGNAL IMPACT FEE SERVICE AREA



LAND USE ASSUMPTIONS

"Land use assumptions" is the term used in NRS 278B to refer to growth projections. The purpose of the land use assumptions is to project the demand for capital improvements that will be needed to serve anticipated growth. The term is defined by the State impact fee statute, NRS 278B.060, as follows:

> "Land use assumptions" means projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least 10 years and in accordance with the master plan of the local government.

NRS 278B requires that land use assumptions must cover at least a 10-year period, and that the capital improvements plan must include a projection of service units over a period not to exceed ten years. Consequently, the land use assumptions cover a period of ten years (2003-2013).

The land use assumptions prepared to support this capital improvements plan are based on the population projections for Clark County prepared by the Center for Business and Economic Research at the University of Nevada, Las Vegas in February 2002. These projections, which were funded jointly by the Clark County Regional Transportation Commission and the Southern Nevada Water Authority, and which were reviewed by the City of Las Vegas as well as other local governments in Clark County, are consistent with local government master plans and deemed to be the most accurate and reliable basis of future growth projections for the City.

The following table (Table 1) is derived from the land use assumptions and summarizes growth trends and projections for population, housing units, hotel/motel rooms and nonresidential floor area within the City of Las Vegas for the last ten years (1993-2003) and the next ten years (2003-2013). In general, growth over the next ten years is projected to be only about half of what it has been in recent years. For the most part, this reflects the expected decline in regional growth implicit in the Clark County population projections. The City's population has been increasing by 5.2 percent annually over the last ten years. While this rapid rate of growth is projected to slow somewhat over the next decade, it will still average a 1.9 percent increase each year.

While land use assumptions are important for facility planning, this does not mean that they will necessarily have a strong relationship to the impact fee levels themselves (e.g., the impact fee per dwelling unit). The fee levels of the proposed traffic signal impact fees will be primarily determined by the historical demand for facilities (e.g., new signals installed by the City per vehicle travel demand unit added by new development over the last four years). New vehicle travel projected to be added by new development over the next ten years will be used to determine the approximate number of new signals the City will need to install over that time period. Thus, while the land use assumptions should be as accurate as reasonably possible in order to support sound facility planning, it should be understood that they will have little effect on the impact fee schedules themselves.

Table 1
GROWTH TRENDS AND PROJECTIONS, 1993-2013

Land Use	ITE Code	Unit	1993	2003	2013
Population	na	Persons	330,472	546,507	660,272
Single-Family Detached	210	Dwelling	73,698	131,889	158,164
Multi-Family	220	Dwelling	59,493	85,213	92,890
General Light Industrial	110	1,000 sq. ft.	2,353	2,967	3,585
Warehousing	150	1,000 sq. ft.	4,344	5,412	6,539
Mini-Warehouse	151	1,000 sq. ft.	1,842	3,701	4,472
Hotel/Motel	310/320	Room	7,710	9,684	11,700
Recreation Community Center	495	1,000 sq. ft.	1,213	1,671	2,019
Elem./Middle/Junior High School	522	1,000 sq. ft.	3,051	3,851	4,653
High School	530	1,000 sq. ft.	2,521	3,980	4,809
College	540	1,000 sq. ft.	271	391	472
Church	560	1,000 sq. ft.	1,496	2,275	2,749
Day Care Center	565	1,000 sq. ft.	191	478	578
Prison	571	1,000 sq. ft.	385	416	503
Library	590	1,000 sq. ft.	115	290	350
Hospital	610	1,000 sq. ft.	488	1,116	1,348
Nursing Home	620	1,000 sq. ft.	478	1,637	1,978
General Office Building	710	1,000 sq. ft.	11,164	18,163	21,944
Medical/Dental Office Building	720	1,000 sq. ft.	1,336	2,999	3,623
Shopping Center	820	1,000 sq. ft.	11,384	18,674	22,562
Restaurant, Sit-Down	831	1,000 sq. ft.	666	1,180	1,426
Restaurant, Fast Food	834	1,000 sq. ft.	238	484	585
Automobile Care Center	840	1,000 sq. ft.	1,586	2,262	2,733
New Car Sales	841	1,000 sq. ft.	106	372	449
Convenience Market w/Gas	853	1,000 sq. ft.	329	617	745
Drive-In Bank	912	1,000 sq. ft.	336	545	658
Casino Hotel, Local	na	1,000 sq. ft.*	212	369	446
Casino Hotel, Resort Corridor	na	1,000 sq. ft.*	678	829	1,002

* casino gaming area only

Source: City of Las Vegas, *Land Use Assumptions for Traffic Signal Impact Fee*, May 6, 2003.

SERVICE UNIT

NRS 278B.110 defines "service unit" as follows:

> "Service unit" means a standardized measure of consumption, use, generation or discharge which is attributable to an individual unit of development calculated for a particular category of capital improvements or facility expansions.

An appropriate service unit for traffic signal impact fees is vehicle-miles of travel (VMT). Vehicle-miles is a combination of the number of vehicles traveling during a given time period and the distance (in miles) that these vehicles travel.

The two time periods most often used in traffic analysis are the 24-hour day (average daily trips or ADT) and the single hour of the day with the highest traffic volume (peak hour trips or PHT). Since available traffic count data is in the form of daily volumes, the impact fees will be based on ADT.

EQUIVALENCY TABLE

NRS 278B.170(5) requires that the capital improvements plan include:

> An equivalency or conversion table which establishes the ratio of a service unit to each type of land use, including but not limited to, residential, commercial and industrial uses.

For the purpose of traffic signal fees, the service unit is VMT, which is the product of three factors: 1) trip generation, 2) percent new trips and 3) trip length. The first two factors are well documented in the professional literature, and the average trip generation characteristics identified in studies of communities around the nation should be reasonably representative of trip generation characteristics in Las Vegas. In contrast, trip lengths are much more likely to vary between communities, depending on the geographic size and shape of the community and its major roadway system.

Trip generation rates were based on information published in the most recent edition of the Institute of Transportation Engineers' (ITE) Trip Generation manual. Trip generation rates represent trip ends, or driveway crossings at the site of a land use. Thus, a single one-way trip from home to work counts as one trip end for the residence and one trip end for the work place, for a total of two trips. To avoid over-counting, all trip rates have been divided by two. This places the burden of travel equally between the origin and destination of the trip and eliminates double-charging for any particular trip.

Trip rates also need to be adjusted by a "new trip factor" to exclude pass-by and diverted-link trips. This adjustment is intended to reduce the possibility of over-counting by only including primary trips generated by the development. Pass-by trips are those trips that are already on a particular route for a different purpose and simply stop at a particular development on that route. For example, a stop at a convenience store on the way home from the office is a pass-by trip for the convenience store. A pass-by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of impact fees. A diverted-link trip is similar to a pass-by trip, but a diversion

is made from the regular route to make an interim stop. The reduction for pass-by and diverted-link trips was drawn from the ITE manual and other published information.

The average trip length is the most difficult travel demand factor to determine. However, for the purpose of traffic signal fees as calculated in this report, the trip length does not directly affect the fee. Instead of the trip length itself, it is the relative trip lengths of various uses that affect the fees in the fee schedule. For these purposes, the local trip lengths by trip purpose estimated in the *Feasibility Study* will suffice. These are presented in Table 2.

Table 2
AVERAGE TRIP LENGTH BY TRIP PURPOSE

Trip Purpose	Est. Local Trip Lengths
To or from work	2.90
Residential	2.50
Doctor/Dentist	2.30
Average	2.20
School/Church	2.00
Family/Personal	1.70
Shopping	1.40

Source: PBS&J and Duncan Associates, *Impact Fee Feasibility Study for the City of Las Vegas*, Table 11, August 2001.

The travel demand schedule, which brings together trip rates, percent new trip factors and trip lengths to determine average daily VMT for a variety of land uses, is presented in Table 3.

Table 3
TRAVEL DEMAND SCHEDULE

Land Use	ITE Code	Unit	Trip Rate	1-Way Trips	Primary Trips	Length (miles)	Daily VMT
Single-Family Detached	210	Dwelling	9.57	4.79	100%	2.5	11.98
Multi-Family	220	Dwelling	6.63	3.32	100%	2.5	8.30
Mobile Home Park	240	Pad	4.81	2.40	100%	2.5	6.00
Adult Congregate Living Facility	252	Dwelling	2.15	1.08	100%	2.5	2.70
Hotel/Motel	310/320	Room	9.02	4.51	100%	2.5	11.27
RETAIL/COMMERCIAL							
Shopping Center (0-249,999 sf)	820	1,000 sq. ft.	62.95	31.48	54%	1.3	22.10
Shopping Center (250,000-499,999 sf)	820	1,000 sq. ft.	42.52	21.26	64%	1.4	19.05
Shopping Center (500,000+ sf)	820	1,000 sq. ft.	29.96	14.98	70%	1.5	15.73
Automobile Care Center	840	1,000 sq. ft.	38.79	19.40	75%	1.4	20.37
Automobile Parts Sales	843	1,000 sq. ft.	61.91	30.96	44%	1.4	19.07
Bank w/Drive Through	912	1,000 sq. ft.	265.21	132.60	27%	1.4	50.12
Bank w/o Drive Through	911	1,000 sq. ft.	156.48	78.24	27%	1.4	29.57
Car Wash, Self Service	na	Stall	20.10	10.05	44%	1.4	6.19
Casino Hotel, Local*	na	1,000 sq. ft.	223.42	111.71	90%	1.7	170.92
Casino Hotel, Resort Corridor*	na	1,000 sq. ft.	183.74	91.87	90%	1.7	140.56
Convenience Market with Gas Pumps	853	1,000 sq. ft.	845.60	422.80	16%	0.7	47.35
Drinking Place	836	1,000 sq. ft.	138.59	69.30	38%	1.4	36.87
Golf Course	430	acre	5.04	2.52	100%	1.7	4.28
New Car Sales	841	1,000 sq. ft.	37.50	18.75	75%	1.4	19.69
Recreational Community Center	495	1,000 sq. ft.	22.88	11.44	85%	1.7	16.53
Restaurant, Fast Food	834	1,000 sq. ft.	496.12	248.06	27%	0.7	46.88
Restaurant, Sit Down	831	1,000 sq. ft.	89.95	44.98	38%	1.4	23.93
OFFICE/INSTITUTIONAL							
Office, General (0-99,999 sf)	710	1,000 sq. ft.	15.59	7.80	90%	2.2	15.44
Office, General (100,000+)	710	1,000 sq. ft.	11.30	5.65	90%	2.2	11.19
Office, Medical	720	1,000 sq. ft.	36.13	18.07	90%	2.2	35.78
Church	560	1,000 sq. ft.	9.11	4.56	90%	2.0	8.21
College	540	1,000 sq. ft.	18.36	9.18	95%	2.0	17.44
Day Care Center	565	1,000 sq. ft.	79.26	39.63	24%	1.7	16.17
Hospital	610	1,000 sq. ft.	16.78	8.39	90%	2.3	17.37
Library	590	1,000 sq. ft.	54.00	27.00	50%	1.7	22.95
Nursing Home	620	1,000 sq. ft.	4.70	2.35	90%	2.3	4.86
Prison	571	1,000 sq. ft.	29.10	14.55	95%	1.7	23.50
School, Elementary	520	1,000 sq. ft.	12.03	6.02	24%	2.0	2.89
School, Middle/Junior High	522	1,000 sq. ft.	11.92	5.96	24%	2.0	2.86
School, High	530	1,000 sq. ft.	13.27	6.64	24%	2.0	3.19
INDUSTRIAL							
General Light Industrial	110	1,000 sq. ft.	6.97	3.49	90%	2.2	6.91
Warehouse	150	1,000 sq. ft.	4.96	2.48	90%	2.2	4.91
Mini-Warehouse	151	1,000 sq. ft.	2.50	1.25	90%	1.7	1.91

* casino floor area only (area used for gaming)

Source: Trip rate is average daily trips (ADT) during weekday from Institute of Transportation Engineers (ITE), *Trip Generation, 6th ed.*, 1997; 1-Way trips are ½ of ADT; rates for local and resort casino hotel are 10 times peak hour trip rates (PHT) from Curtis D. Rowe, et. al., *ITE Journal*, "Recalibration of Trip Generation Model for Las Vegas Hotel/Casinos," May 2002; automobile care center derived from the ratio of ADT to PHT for a shopping center; drinking place derived from the ratio of ADT to PHT for a sit-down restaurant; nursing home derived from the ratio of ADT to PHT per bed; prison is 10 times PHT; shopping center and general office based on middle of range; car wash, self service, ADT and primary trip percentage from Metro Transportation Group, Inc., *Independent Fee Calculation Study for Self Serve Car Wash Facilities - Hancock Bridge Parkway Location*, Lee County, Florida, October 24, 2000; percent primary trips for most uses from ITE, *Trip Generation Handbook*, October 1998; primary trips for day care center from paper by Hitchens, *1990 ITE Compendium*; school assumed same as for day care; trip lengths from Table 2 (retail trip length used for middle shopping center category, reduced by 10% for smaller category and increased by 10% for larger category, and reduced by 50% for convenience stores and fast food

Land Use	ITE Code	Unit	Trip Rate	1-Way Trips	Primary Trips	Length (miles)	Daily VMT

restaurants).

PROJECTED SERVICE UNITS

NRS 278B requires that the capital improvements plan contain a projection of service units over the planning period. Table 4 satisfies this requirement by projecting future VMT over the 2003-2013 period. It does this by multiplying the existing development in 2003 and anticipated development in 2013 from the land use assumptions by the rates of service unit generation presented in the equivalency table. It also estimates VMT growth over the last ten years (1993-2003).

Table 4
GROWTH IN SERVICE UNITS, 1993-2013

		Development Units			VMT/	Daily Vehicle-Miles of Travel		
Land Use	Unit	1993	2003	2013	Unit	1993	2003	2013
Single-Family Detached	Dwelling	73,698	131,889	158,164	11.98	882,902	1,580,030	1,894,805
Multi-Family	Dwelling	59,493	85,213	92,890	8.30	493,792	707,268	770,987
General Light Industrial	1,000 sq. ft.	2,353	2,967	3,585	6.91	16,259	20,502	24,772
Warehousing	1,000 sq. ft.	4,344	5,412	6,539	4.91	21,329	26,573	32,106
Mini-Warehouse	1,000 sq. ft.	1,842	3,701	4,472	1.91	3,518	7,069	8,542
Hotel/Motel	Room	7,710	9,684	11,700	11.27	86,892	109,139	131,859
Recreational Community Center	1,000 sq. ft.	1,213	1,671	2,019	16.53	20,051	27,622	33,374
Elem/Middle/Junior High School	1,000 sq. ft.	3,051	3,851	4,653	2.86	8,726	11,014	13,308
High School	1,000 sq. ft.	2,521	3,980	4,809	3.19	8,042	12,696	15,341
College	1,000 sq. ft.	271	391	472	17.44	4,726	6,819	8,232
Church	1,000 sq. ft.	1,496	2,275	2,749	8.21	12,282	18,678	22,569
Day Care Center	1,000 sq. ft.	191	478	578	16.17	3,088	7,729	9,346
Prison	1,000 sq. ft.	385	416	503	23.50	9,048	9,776	11,821
Library	1,000 sq. ft.	115	290	350	22.95	2,639	6,655	8,033
Hospital	1,000 sq. ft.	488	1,116	1,348	17.37	8,477	19,385	23,415
Nursing Home	1,000 sq. ft.	478	1,637	1,978	4.86	2,323	7,956	9,613
General Office Building	1,000 sq. ft.	11,164	18,163	21,944	13.32	148,704	241,931	292,294
Medical/Dental Office Building	1,000 sq. ft.	1,336	2,999	3,623	35.78	47,802	107,304	129,631
Shopping Center	1,000 sq. ft.	11,384	18,674	22,562	18.96	215,841	354,059	427,776
Restaurant, Sit-Down	1,000 sq. ft.	666	1,180	1,426	23.93	15,937	28,237	34,124
Restaurant, Fast Food	1,000 sq. ft.	238	484	585	46.88	11,157	22,690	27,425
Automobile Care Center	1,000 sq. ft.	1,586	2,267	2,733	20.37	32,307	46,077	55,671
New Car Sales	1,000 sq. ft.	106	372	449	19.69	2,087	7,325	8,841
Convenience Market w/ Gas Pumps	1,000 sq. ft.	329	617	745	47.35	15,578	29,215	35,276
Bank	1,000 sq. ft.	336	545	658	39.85	13,390	21,718	26,221
Casino Hotel, Local	1,000 sq. ft.*	212	369	446	170.92	36,235	63,069	76,230
Casino Hotel, Resort Corridor	1,000 sq. ft.*	678	829	1,002	140.56	95,300	116,524	140,841
Total Daily VMT						2,218,432	3,617,061	4,272,463

* casino gaming area only
Source: Development units from Table 1; daily VMT per development unit from Table 3.

CAPITAL IMPROVEMENT NEEDS

It is not within the capability of transportation models to determine the precise locations where future traffic signals will be required over the next ten years. However, it is possible to estimate with reasonable accuracy the number of signals that will be needed to accommodate projected growth in the service area. Records on the number of traffic signals constructed over the past ten years, when coupled with data on the growth in service units over the same time period, provide a reasonable basis for estimating future traffic signal needs. Over the last ten years, 172 traffic signals have been installed in the City of Las Vegas, as shown in Table 5.

Table 5
TRAFFIC SIGNAL CONSTRUCTION, 1993-2003

1993	16
1994	11
1995	14
1996	11
1997	14
1998	14
1999	30
2000	11
2001	16
2002	35
Total	172

Source: City of Las Vegas Public Works Department, February 25, 2003.

Also during the most recent ten-year period, the number of service units increased by 1.40 million daily VMT. Dividing the number of new service units by the number of new signals required to be installed over the last ten years yields a ratio of 8,132 new VMT to each new signal required, as shown in Table 6.

Table 6
SERVICE UNITS PER SIGNAL, 1993-2003

Daily Vehicle-miles of Travel (VMT), 2003	3,617,061
Daily Vehicle-miles of Travel (VMT), 1993	2,218,432
Daily Vehicle-miles of Travel (VMT), 1993-2003	1,398,629
New Traffic Signals Constructed	172
Daily VMT/ Signal Ratio	8,132

Source: Daily VMT from Table 4; new signals constructed from Table 10.

Applying this historical ratio of new traffic to new signals to the projected increase in service units over the next ten years results in a projected need for 81 new traffic signals between 2003 and 2013 (see Table 7).

Table 7
NEW TRAFFIC SIGNALS, 2003-2013

Daily Vehicle-miles of Travel (VMT), 2013	4,272,453
Daily Vehicle-miles of Travel (VMT), 2003	3,617,061
New Daily Vehicle-miles of Travel (VMT), 2003-2013	655,392
Daily VMT/Signal Ratio	8,132
New Traffic Signals Needed, 2003-2013	81

Source: Daily VMT from Table 4; daily VMT/signal ratio from Table 6.

The cost of new traffic signals can vary significantly from one project to the next. Some are installed by developers, some by public agencies using an open public bid process and others by public agencies using in-house staff. Recent signals built in Las Vegas using these various approaches have averaged $205,000 per signal, as summarized in Table 8.

Table 8
AVERAGE COST PER TRAFFIC SIGNAL

Type of Project	Cost
Private Developer	$229,400
Public Agency Using Bid Process	$210,950
Public Agency Using Bid Process	$234,666
Public Agency Using In-House Staff	$174,500
Public Agency Using In-House Staff	$175,500
Average Cost per Signal	$205,000

Source: City of Las Vegas Public Works Department, February 27, 2003.

Applying the average cost per signal to the projected number of new signals needed from 2003-2013 yields the total cost of new signals attributable to growth over the planning period. As shown in Table 9, the total cost of new signals attributable to growth over the next ten years amounts to $16.6 million. Dividing that cost by the number of new service units yields the cost per service unit attributable to installing the traffic signals required to accommodate the traffic impacts of new development. As shown in Table 9, the cost per service unit is $25.34 per new daily VMT.

Table 9
COST PER SERVICE UNIT

New Traffic Signals Needed, 2003-2013	81
Average Cost per Traffic Signal	$205,000
New Traffic Signal Cost, 2003-2013	$16,605,000
New Daily VMT, 2003-2013	655,392
Cost per Daily VMT	$25.34

Source: New traffic signals needed, 2003-2013 from Table 7; average cost per traffic signal from Table 8; new daily VMT, 2003-2013 from Table 7.

Finally, the cost per service unit should be reduced to account for the roughly 40 percent of the cost that has historically been funded by the public sector (RTC, NDOT and Clark County). Over the last four years, 61 percent of the signals that have been installed in the City of Las Vegas have been paid for by developers, either through traffic mitigation fee payments or some other arrangement, as

summarized in Table 10. The remainder were installed by the RTC, the Nevada Department of Transportation or Clark County, generally as part of road improvement projects.

Table 10
TRAFFIC SIGNAL FUNDING, 1998-2002

Funding Source	1999	2000	2001	2002	Total	Percent
Traffic Mitigation Fee	21	3	13	16	53	58%
Private Development	0	1	0	2	3	3%
Regional Transportation Commission	9	5	2	10	26	28%
Nevada DOT/Clark County	0	2	1	7	10	11%
Total	30	11	16	35	92	100%

Source: City of Las Vegas Public Works Department, December 16, 2002 memorandum.

Making this adjustment results in a net cost per service unit of $15.46 per new daily VMT, as summarized in Table 11.

Table 11
NET COST PER SERVICE UNIT

Cost per Daily VMT	$25.34
Percent of Signals Funded by Developers, 1998-2002	61%
Net Cost per Daily VMT	$15.46

Source: Cost per daily VMT from Table 9; percent of signals funded by developers (traffic mitigation fees and privately funded) from Table 10.

NET COST SCHEDULE

The maximum traffic signal impact fees that could be charged by the City of Las Vegas, based on the data, methodology and assumptions used in this study, are presented in Table 12.

The impact fees could be adopted at less than 100 percent of the level shown in the net cost schedule, provided that the reduction is applied uniformly across all land use categories in order to retain the proportionality of the fees. However, this could result in the City being responsible for funding the signals that are warranted but not paid for by the impact fees.

Table 12
POTENTIAL TRAFFIC SIGNAL IMPACT FEE SCHEDULE

Land Use	Unit	Daily VMT	Net Cost/ VMT	Net Cost/ Unit
Single-Family Detached	Dwelling	11.98	$15.46	$185
Multi-Family	Dwelling	8.30	$15.46	$128
Mobile Home Park	Pad	6.00	$15.46	$93
Adult Congregate Living Facility	Dwelling	2.70	$15.46	$42
Hotel/Motel	Room	11.27	$15.46	$174
RETAIL/COMMERCIAL				
Shopping Center/Gen Retail (0-249,999 sf)	1,000 sq. ft.	22.10	$15.46	$342
Shopping Center/Gen Retail (250,000-499,999 sf)	1,000 sq. ft.	19.05	$15.46	$295
Shopping Center/Gen Retail (500,000+ sf)	1,000 sq. ft.	15.73	$15.46	$243
Automobile Care Center	1,000 sq. ft.	20.37	$15.46	$315
Automobile Parts Sales	1,000 sq. ft.	19.07	$15.46	$295
Bank w/Drive Through	1,000 sq. ft.	50.12	$15.46	$775
Bank w/o Drive Through	1,000 sq. ft.	29.57	$15.46	$457
Car Wash, Self Service	Stall	6.19	$15.46	$96
Casino Hotel, Local	1,000 sq. ft.*	170.92	$15.46	$2,642
Casino Hotel, Resort Corridor	1,000 sq. ft.*	140.56	$15.46	$2,173
Convenience Store w/ Gas Sales	1,000 sq. ft.	47.35	$15.46	$732
Drinking Place	1,000 sq. ft.	36.87	$15.46	$570
Golf Course	acre	4.28	$15.46	$66
New Car Sales	1,000 sq. ft.	19.69	$15.46	$304
Recreational Community Center	1,000 sq. ft.	16.53	$15.46	$256
Restaurant, Fast Food	1,000 sq. ft.	46.88	$15.46	$725
Restaurant, Sit-Down	1,000 sq. ft.	23.93	$15.46	$370
OFFICE/INSTITUTIONAL				
Office, General (0-99,999 sf)	1,000 sq. ft.	15.44	$15.46	$239
Office, General (100,000+)	1,000 sq. ft.	11.19	$15.46	$173
Office, Medical	1,000 sq. ft.	35.78	$15.46	$553
Church	1,000 sq. ft.	8.21	$15.46	$127
College	1,000 sq. ft.	17.44	$15.46	$270
Day Care Center	1,000 sq. ft.	16.17	$15.46	$250
Hospital	1,000 sq. ft.	17.37	$15.46	$269
Library	1,000 sq. ft.	22.95	$15.46	$355
Nursing Home	1,000 sq. ft.	4.86	$15.46	$75
School, Elementary (private)	1,000 sq. ft.	2.89	$15.46	$45
School, Middle/Junior High (private)	1,000 sq. ft.	2.86	$15.46	$44
School, High (private)	1,000 sq. ft.	3.19	$15.46	$49
INDUSTRIAL				
General Light Industrial	1,000 sq. ft.	6.91	$15.46	$107
Warehouse	1,000 sq. ft.	4.91	$15.46	$76
Mini-Warehouse	1,000 sq. ft.	1.91	$15.46	$30

* casino gaming area only
Source: Daily VMT from Table 3; net cost per VMT from Table 11.

EXHIBIT D

[Design Guidelines]

EXHIBIT E

MAINTENANCE PLAN

(A) The Plan must be approved by the City pursuant to and in compliance with the Applicable Rules and must contain provisions that outline the proposed standards and level of maintenance to be provided with respect to such improvements. The Plan will include provisions for maintenance of all landscaping and related irrigation systems, including the following landscaped areas, if applicable, and part of the applicable project, whether developed or natural:

(1) Common areas;

(2) Parks, trails, and related facilities and equipment;

(3) Drainage easements that contain landscaping;

(4) Sight visibility zones, as defined in the Applicable Rules; and

(5) All landscaping and landscaping appurtenances located within public rights-of-way.

(B) The Plan will include provisions for maintenance of common area lighting and for security walls located within common areas, but excluding any walls located on an individual unit or lot.

(C) The Plan will include provisions for periodic inspection, maintenance and repair of the improvements described herein in such a manner and with such frequencies so as to maintain the improvements to prevent deterioration, to avoid unsightliness and maintain the aesthetic appearance, the function and look of the improvements as originally intended. Any significant deviation from those standards may be implemented only after consultation with and the approval of the City. The required maintenance and repair shall include, without limitation:

(1) Maintenance of all landscaping in a healthy condition, with all grass cut to an appropriate length, all plants and bushes appropriately trimmed and maintained, and diseased or dead portions of landscaping promptly replaced with healthy plant materials.

(2) Repair, maintenance and replacement of facilities and equipment in common areas, including tables, playground equipment, fences, walkways and fountains.

(3) Regular cleaning and maintenance of restrooms.

(D) The Plan will include a provision that the Plan can be amended by the governing board of the association but only with the written consent of the City.

(E) The Plan will include a provision that, in the event the association fails to maintain any or all of the improvements in accordance with the provisions of the Plan, the City

may exercise its rights under the declaration, including the right of the City to make assessments for costs incurred by the City in maintaining the improvements, which assessments shall constitute liens against the land and the individual lots within the subdivision which may be executed upon and which shall have the same priority as liens for real estate taxes.

(F) The Plan will include a provision requiring the posting with the City and maintenance thereafter of a continuing bond, acceptable to the City, to guarantee the payment of all of such maintenance costs for a continuing period of one year from any given date. The requirement for the posting and maintenance of such bond shall be maintained only until the association has the capital reserves to cover such one-year's maintenance.

EXHIBIT F

[Design Guidelines Certification]

Cliff's Edge Master Plan
Design Guideline Certification

Project Name:
Location:
Pod Number:
Proposed Use:
Density Allowed:
Density Proposed:
Units Allowed:
Units Proposed:
Reviewed By:
Dated Reviewed:
Design Standards Compliance: Project Complies ☐ Project Does Not Comply ☐
Details of Noncompliance:
Required Revisions:
Other Comments:

_____ _____

Design Review Committee Signature Date

_____ _____

Cliff's Edge, LLC Date

EHHIBIT G
[Schedule of Traffic Signal Impact Fees]

Current Traffic Signal Impact Fee Schedule

Land Use	Unit	Fee
Single-Family Detached	Dwelling	$185
Multi-Family	Dwelling	$128
Mobile Home Park	Pad	$93
Adult Congregate Living Facility	Dwelling	$42
Hotel/Motel	Room	$174
RETAIL/COMMERCIAL		
Shopping Center/Gen Retail (0-249,999 sf)	1,000 sq. ft.	$342
Shopping Center/Gen Retail (250,000499,999 sf)	1,000 sq. ft.	$295
Shopping Center/Gen Retail (500,000+ sf)	1,000 sq. ft.	$243
Automobile Care Center	1,000 sq. ft.	$315
Automobile Parts Sales	1,000 sq. ft.	$295
Bank w/Drive Through	1,000 sq. ft.	$775
Bank w/o Drive Through	1,000 sq. ft.	$457
Car Wash, Self Service	Stall	$96
Casino Hotel, Local (gaming area only)	1,000 sq. ft.	$2,642
Casino Hotel, Resort Corridor (gaming area only)	1,000 sq. ft.	$2,173
Convenience Store w/ Gas Sales	1,000 sq. ft.	$732
Drinking Place	1,000 sq. ft.	$570
Golf Course (open to public)	acre	$66
New Car Sales	1,000 sq. ft.	$304
Recreational Community Center	1,000 sq. ft.	$256
Restaurant, Fast Food	1,000 sq. ft.	$725
Restaurant, Sit-Down	1,000 sq. ft.	$370
OFFICE/INSTITUTIONAL		
Office, General (0-99,999 sf)	1,000 sq. ft.	$239
Office, General (100,000+ sf)	1,000 sq. ft.	$173
Office, Medical	1,000 sq. ft.	$553
Church	1,000 sq. ft.	$127
College	1,000 sq. ft.	$270
Day Care Center	1,000 sq. ft.	$250
Hospital	1,000 sq. ft.	$269
Library	1,000 sq. ft.	$355
Nursing Home	1,000 sq. ft.	$75
School, Elementary (private)	1,000 sq. ft.	$45
School, Middle/Junior High (private)	1,000 sq. ft.	$44
School, High (private)	1,000 sq. ft.	$49
INDUSTRIAL		
General Light Industrial	1,000 sq. ft.	$107
Warehouse	1,000 sq. ft.	$76
Mini-Warehouse	1,000 sq. ft.	$30